Daily Report

Latin America

FBIS-LAT-90-160
Friday
17 August 1990

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FBIS-LAT-90-160 *17 August 1990*

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Cuba

CCP's Aldana Meets With EC Ambassadors

PA1608180590 Mexico City NOTIMEX in Spanish 1657 GMT 16 Aug 90

[Excerpt] Havana, 16 Aug (NOTIMEX)—In an unusual step, Carlos Aldana, a high-ranking member of the Communist Party of Cuba (CCP), met here today with EC ambassadors to discuss the problem of the refugees in European diplomatic missions.

According to Western diplomatic sources, Aldana told the French and Italian ambassadors that Cuba "wants to help solve the refugee problem." They met behind closed doors after a new group of refugees entered Belgian Ambassador Loise Conrat's residence on 13 August. Nine refugees are in the Belgian ambassador's residence, and 18 are in the Spanish Embassy.

According to unofficial reports, Aldana might have proposed sending Foreign Ministry officials to talk with the refugees. [passage omitted]

Luque To Continue Month-Long Hunger Strike

PA1608185390 Mexico City NOTIMEX in Spanish 1726 GMT 16 Aug 90

[Text] Havana, 16 Aug (NOTIMEX)—Roberto Luque, a Cuban Social Democratic Party representative, today completed one month of a hunger strike through which he is demanding a national dialogue to seek a "peaceful solution of the country's problems."

In a message distributed to the foreign press, Luque reiterated his "firm resolve" to continue his fast until he accomplishes his goal.

The self-proclaimed representative for the Social Democratic Party, which is not registered in Cuba and is based in Miami, said that he has lost 24 pounds and feels very weak.

In his message,he urged exiled Cubans who have opposed a "national dialogue" to change their attitude so that "the government will be the only stubborn sector."

When Luque began his hunger strike a month ago, Carlos Aldana, who is in charge of the Cuban Communist Party Central Committee Ideology Department, said he "will not allow anyone to starve to death in Cuba," and described Luque as a "fake."

Luque said that he studied history at the National Autonomous University of Mexico (UNAM) in 1958, and that at that time he also participated in a failed expedition in support of the Sierra Maestra fighters and current Cuban President Fidel Castro.

FAR Delegation Visits Zimbabwe Military

FL1608183090 Havana Tele Rebelde Network in Spanish 1700 GMT 16 Aug 90

[Text] Brigade General (Victor Chuescolaski), an adviser of the Cuban Revolutionary Armed Forces [FAR], met with high-ranking officials of the Zimbabwe National Army in Arare today. (Chuescolaski) who heads the Cuban delegation attending the ceremonies celebrating the 10th anniversary of the creation of Zimbabwe's Armed Forces met with Lieutenant Colonel (Munjuru), chief of the National Army, and Air Marshal (Yochua Tangamirai), chief of the Air Force.

The high-ranking Cuban officer delivered a message of congratulations signed by Division General Ulises Rosales del Toro, first vice minister of the Ministry of the Revolutionary Armed Forces [Minfar] to the Zimbabwean chiefs.

During the meeting the Zimbabwean officials thanked Cuba for its help in training guerrilla forces during their country's war of liberation and stressed the historic importance of the cooperation between the two nations.

Antigua and Barbuda

Attorney General Appeals High Court Ruling

FL1608182290 Bridgetown CANA in English 1714 GMT 16 Aug 90

[Excerpts] St. John's, Antigua, Aug 16, CANA— The office of Antigua and Barbuda's attorney-general has lodged an appeal against a high court ruling that a commission of inquiry probing an arms scandal here cannot legally hold hearings overseas, the government said. Justice Horace Mitchell made the ruling last Friday on an application filed by former Public Works Minister Vere Bird Jr., a key figure in the probe. Mitchell said any sitting of the commission outside of Antigua and Barbuda would be "ultra vires, null and void, and with no effect."

British jurist Louis Blom-Cooper, who is heading the one-man probe, last month announced plans to visit Israel and Europe this month to interview key witnesses and obtain important documents related to the arms shipment which ended up in the hands of Colombian drug traffickers. As a result of the high court's ruling, Blom-Cooper has had to postpone his travel plans.

A release from the attorney-general's office said efforts were being made to get the chief justice of the Eastern Caribbean Court of Appeal to arrange for a sitting on the matter. The appeal was lodged on Wednesday after Blom-Cooper asked attorney-general Keith Forde to file an injuction. [passage omitted]

The commission, which conducted a two-week sitting here last month, resumes hearings on August 27 at the Moravian Provincial Headquarters, just outside the capital.

Dominican Republic

President Balaguer Gives Inauguration Speech

FL1608212690 Santo Domingo Radio and Television Networks in Spanish 1551 GMT 16 Aug 90

[Inauguration speech by President Joaquin Balaguer to the National Assembly in Santo Domingo—live; monitored in progress]

[Text] ...keeping in mind the differences from another historic event, the recent statements made by U.S. President George Bush, who has implicitly acknowledged that the debt of the Dominican Republic and other nations in the region is not feasible under the terms in which it was conceived, and that as a consequence this debt should be subjected to an in-depth revision to benefit not only the debtors but also the credibility of the international loan system and the creditors themselves.

After President Bush's statements—this is at least the feeling these statements arouse in all our people—the previous era, that of the big stick [preceeding two words in English] and Manifest Destiny, has been left behind, definitively behind. But there is more yet. Because of the occasion on which this statement was made—only two years before the 500th anniversary of the discovery of America—it is historical proof that less than five centuries have been necessary, a drop of water in the ocean of the ages, so that there will no longer exist on this continent nations that in order to survive can count only on the grace of God and the moral pressure of an invisible but all-embracing force that is advancing inexorably to spread, along with the new times, over all the dispossessed on Earth. [applause]

The deficit of the so-called decentralized public sector is as important for cleaning up the nation's economy as the public debt. The administration that begins today will continue to take all the measures that are within its power to resolve the deficit of the Dominican Electricity Corporation. The two turbogas plants recently purchased in Houston, whose $20 million cost has been paid totally by the government, will become part of our power system in the coming weeks.

The contract with the Hydro-Quebec Company—to execute it the government has $20 million on deposit at the Barclay Bank in New York—will result in the installation of a new Itabo plant, because thanks to this work, a large part of the energy losses caused by the current deterioration of the transmission networks will be eliminated. Construction of the hydroelectric power plants of Jiguey and Aguacate is already in its final phase. These plants will supply free to the Dominican Electricity Cooperation 125,000 kilowatts of power in the rainy seasons and about 20,000 or 25,000 in the months of the year in which the flow of the Nizao River and its tributaries is low.

As for the deficit of the Dominican Corporation of State Enterprises, this administration's plan consists of grouping all the enterprises in this consortium into three categories. The first category would include the joint capital enterprises that must operate with public and private capital. Among these, the San Cristobal Glass Factory, the Dominican Airlines Company, and the Tobacco Corporation could be cited as examples.

The second category would include all those enterprises for which there is no reason that would justify the state's intervention as an entrepreneur in the industrial or commercial field. Among these are the battery factory, [words indistinct] commercial, and many other enterprises similar to the ones that I have already mentioned.

The third and last category would include the enterprises that should remain in the public sector, whether because of their importance in the regions where they are located or because of their unquestionable social impact. Among these would be the Barahona salt and gypsum mines and the Dominican Cement Factory.

I am going to conclude. After the assassination of Caesar,—according to Mommsen—a dinner had been held in Rome, on the outskirts of Rome, in which all those involved in that terrifying conspiracy were present. However, there was one person absent, Brutus, one of the major actors in the plot. But because of his absence, his figure took on a greater presence in history than that of all the other diners.

Now that I have mentioned Caesar, I want to add that in our country it cannot be said—as the conqueror of Gaul said of himself—that we are sons of Venus, but neither can it be said that we are sons of adversity, as Jose Ramon Lopez and other Dominican pessimists claim. We have disappeared many times, swallowed up by the great colonizing powers, or have been destroyed, destroyed, [repeats] not swallowed up, destroyed by the destinies we have constructed with our own hands.

But here, ladies and gentlemen, here is our country on its feet, a country of vicissitudes, perhaps harder hit than it was yesterday, but more convinced than ever that we are not a passing thing. [applause] We are not a passing thing, as our sacrifices were not, and as our immortal dreams are not and will not be.

The task that awaits us in the next four years, as can be seen from what I have said, will be arduous and difficult. To bring it to a happy end, however, we will only need two things: first, the grace of God; and second, the help and cooperation of all men and women of goodwill. [applause] [unidentified speaker says: You are not alone Balaguer, the Dominican women support you!] Thank you. [applause] [Juan Pablo] Duarte, the founder of the Republic and father of our country, showed us the path to follow in his memorable Puerto Plata speech. I quote: Dominicans, be united and be just if you want to be happy. [applause and cheers]

Haiti

State Council To 'Boycott' Executive Policies

FL1608164590 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 16 Aug 90

[Excerpts] The State Council declares that it is tired of the executive's disrespect of the protocol agreement, and announces that it is going to boycott all the executive's policies and criticize them severely. Why did the State Council make this official declaration? [passage omitted]

The current executive has failed to take any measures to provide the security and justice that the population of Haiti's nine geographical departments is demanding. Only these measures can give everyone confidence so that proper elections can really be held. While pretending to take proper measures to fight the repression and violence that has spread all over Haiti, the executive is in collusion with the bigshots causing insecurity problems, says the State Council communique. The current executive is not using any proper means the judicial system puts at its disposal to put some order into the existing disorder. Not even the investigations into the people shot and killed while this government has been in power have yielded any results, even if the people shot were shot in a group. What is worse, the people who committed these acts continue to make fools out of the courts and the judiciary, while going around making a bunch of threats against the population.

The way the provisional government has left the state coffers in the hands of incompetents, people without scruples, people steeped in nepotism, is going to totally ruin the nation's economy. [passage omitted]

The current executive refused to even begin a little cleanup in the government administrations, the judiciary, and the Army. Thus, all the old attitudes of bosses who do whatever they please—attitudes such as repression, crimes, the theft of government property, and scorn for human rights—continue with a vengeance, despite all the complaining the population has been doing for the past four governments.

The current executive refuses to hear the voices of the people who live in the nation's communal sections when they ask for big changes in the matter of section chiefs. This refusal does not permit the establishment of a proper climate of freedom in Haiti so that proper elections can be held.

The current executive has not done anything that the provisional president said it would do in her 13 March 1990 speech to the nation. In that speech, she announced the program the provisional government intended to follow. However, nothing has been done. She has totally lost the people's trust. Thus, the executive has become an obstacle to the holding of proper elections in Haiti. For the past five months, the executive has taken daily actions that go against the 4 March 1990 agreement. Every day, it tries to obstruct the work of the State Council. And we can see where this has led us: waste and a laissez-faire attitude has grown, and the public administration is blocked. [passage omitted]

The Provisional Electoral Council [CEP], in good faith, encouraged the State Council to begin a series of meetings with the executive branch of the government. However, these discussions yielded no results. The State Council now feels it has tried every possible means to reach an agreement with the current executive to correct that which needs correcting. However, nothing has been done. Thus, the State Council issued a three-point resolution which they read over the air:

[Begin unidentified speaker recording] For all these reasons the State Council, to show that it wishes to respect the role the population asked it to play per Article 5 of the protocol, [words indistinct] the democracy the population asked it to create. Article 5 of the 4 March agreement gives them the right to do this the minute two out of three members of the State Council vote the same way.

After meeting with the people who sent it, the State Council declares:

1. The Council cannot continue to collaborate with the executive branch of the government, because the executive refuses to respect the principles of the 4 March 1990 agreement.

2. The Council does not at all agree with the way the executive is running the country.

3. The Council has decided to employ the right of veto that the 4 March agreement gives it to condemn and refuse all of attorney Ertha Pascal Trouillot's policies.

The State Council signed this declaration at the Legislative Palace on 14 August 1990.

[Signed:] Council of State [end recording]

Date for Beginning Voter Registration Postponed

FL1608155590 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 16 Aug 90

[Excerpts] The Provisional Electoral Council [CEP] has issued a communique in which it announces that the beginning of the voter registration period has been postponed to 3 September. [Voter registration was to begin 19 August.]

The CEP also reaffirms its great desire and determination to employ all the means at its disposal to successfully accomplish its mission, regarding the preparations for coming elections as per the calendar that was published on 31 July. [passage omitted]

Despite all the difficulties encountered, the CEP says it is continuing to set in place the devices indispensable for getting the voter registration underway. [passage omitted]

Candidate Withdraws From Presidential Race

FL1608163690 Port-au-Prince Radio Nationale in Creole 1300 GMT 14 Aug 90

[Excerpt] The president of the Haitian moderate republican party [name as heard—Nicolas Estiverne is head of the Party of the Moderate Republic] has withdrawn from the race.

In a statement he made over National Haitian Radio, Nicolas Estiverne, head of the PRMH [acronym as heard], said outright that the electoral law is discriminatory. He feels the electoral law is illegal. According to Estiverne, the Provisional Electoral Council has acted very badly.

Estiverne says he has to withdraw from the presidential race. Thus, his party is not going to participate at any level whatsoever in the elections scheduled for 4 November. [passage omitted]

Four Parties Form Political Alliance

FL1608165090 Port-au-Prince Radio Nationale in Creole 1300 GMT 14 Aug 90

[Excerpts] Four political parties have agreed among themselves to form a political front called the National Democratic Front [Fron Demokratik Nasyonal]. These parties are: Democratic Movement for the Liberation of Haiti/Democratic Revolutionary Party of Haiti [Modelh/PRDH], headed by Francois Latortue; Union of Democratic Patriots [UPD], headed by engineer Rockefeller Guerre; Haitian Nationalist Party [PNH], headed by Dr. Sylvan Jolibois; and Haitian Liberation Party [PLH], headed by Franck Senat. [passage omitted]

What are the modalities of this alliance? How did it come about? These questions were answered by Attorney Francois Latortue of the Modelh/PRDH in an interview he granted [Radio Nationale reporter] Jean-Marie Ferrari. Let us listen to Mr. Latortue.

[Begin recording] [Latortue] No, no, not at all. It is not a merger. Simply an alliance. These are leaders who are already in the habit of collaborating, who have known one another for a long time and have decided to put their heads and their strength, together with a view to more effective action, toward finding a solution to the problems we are confronting today. Each party remains itself, however.

[Reporter] And what is the Front's ideological position, Mr. Latortue?

[Latortue] Well, I would still say centrist. I mean, we have more or less the same ideas regarding the nation's development, regarding the way the nation's problems should be broached. I mean, some problems are basic, more important than others—such as the problems of the peasantry, of agriculture, of irrigation, and of a basic education; the problem of an administration that should begin at the grassroots level. For example, it was I who drafted the first law on the Administrative Councils for the Communal Section [Casecs], because we feel that public administration entails not only administration at the top but also administering the grassroots level. I mean, we feel that things should go from the bottom up. [passage omitted]

Because we have always cultivated... [rephrases] The ideas are the same, this time we decided to just go ahead and join together publicly, because we are already in the habit of collaborating in private, to see if we can help solve this serious crisis that we have.

[Reporter] Can you tell us what kind of an alliance this is? I mean, is it an electoral alliance, an alliance for the juncture? Or will it last?

[Latortue] Well, each party remains itself. When a problem comes up, we will analyze it, and if we can come up with a common solution, reach agreement on a solution, fine. And if we cannot agree on a common solution, each party will shoulder its responsibility and take its own path. Of course, we hope that we will, more often than not, be able to find a common solution. [end recording] [passage omitted]

CSFR President Havel Talks With Businessmen

LD1508223390 Prague CTK in English 2018 GMT 15 Aug 90

[Text] Mexico City Aug 15 (CTK correspondent)—Czechoslovak President Vaclav Havel, on a two-day visit to Mexico, met today with private businessmen, in conclusion of a breakfast given by the Mexican coordinating business committee for the economic part of the Czechoslovak delegation.

President Havel and chairman of the committee Rolando Vega agreed that as a result of changes in both countries new possibilities were opening up for expanding economic cooperation. President Havel spoke of the usefulness of the exchange of experiences, especially in the sphere of privatization.

Mexican businessmen have put forward about fifty offers of expanding the number of products exported to Czechoslovakia, e.g. food products and electronics. The interest of the Mexican side in promoting cooperation is seen also on the recent opening of a branch of Banco de Mexico in Prague.

Czechoslovakia is interested in imports of Mexican oil in view of the cuts in supplies from the Soviet Union. Vaclav Havel's adviser Richard Wagner said that talks are going on with good prospects about a special delivery of half a million up to one million tonnes of oil. From next year Czechoslovakia would want to import a million tonnes of oil annually from Mexico.

Apart from traditional engineering products, Czechoslovakia would like to export to Mexico also farm machines, trams and trolley-buses and is interested in delivering another hydro-electric power plant to Mexico.

According to figures made available at the meeting with businessmen, the Czechoslovak-Mexican trade turnover amounted to $250 million annually, while Mexican exports reach the value of $104 million.

Holds News Conference

LD1608192990 Prague CTK in English 1734 GMT 16 Aug 90

[Text] Mexico Aug 16 (CTK)—The visit to Meixco can be the beginning of really good bilateral cooperation, Czechoslovak President Vaclav Havel told a press conference before ending his state visit to Mexico.

He announced that he invited Mexican President Carlos Salinas for a visit to Czechoslovakia and that Chairman of the Czechoslovak Federal Assembly Alexander Dubcek will visit Mexico next year.

Czechoslovakia is interested in importing Mexican oil. The discussions on this issue are promising, the Czechoslovak president said.

Dealing with the situation in the Persian gulf he expressed the hope that the Iraqi invasion of Kuwait will not result in a much bigger conflict and voiced concern over the respect for human rights in Cuba.

The effort of the new Czechoslovak regime is aimed at changing Czechoslovakia into a democratic, pluralistic, cultural, economically prosperous and socially just state, the Czechoslovak president underlined.

Answering a question of the REUTERS agency what is his attitude to those who served the former regime, the president stressed that nobody will be persecuted for his views. "I am for justice but not for revenge", Vaclav Havel pointed out.

Czechoslovak Foreign Minister Slavomir Stracar and Presidential Economic Adviser Richard Wagner will continue discussions in Mexico, especially about oil, after Havel's departure. They will also visit some South American countries.

Returns to Czechoslovakia

LD1608084190 Prague CTK in English 0632 GMT 16 Aug 90

[Text] Mexico City Aug 16 (CTK correspondent)—Czechoslovak President Vaclav Havel ended his two-day official visit to Mexico Wednesday and left for Czechoslovakia.

Mexican Secretary of Foreign Affairs Fernando Solana took leave of the Czechoslovak president at Mexico City Airport.

El Salvador

FMLN Insists on Purge Within Armed Forces

PA1608222290 San Salvador Radio Cadena Horizonte in Spanish 1800 GMT 16 Aug 90

[Text] Salvador Samayoa, the FMLN's [Farabundo Marti National Liberation Front] political-diplomatic representative, says that during the peace talks with the Salvadoran Government in Costa Rica, the insurgents will insist on resuming discussion of the Armed Forces as the basis for reaching specific agreements.

Samayoa, a member of the FMLN political-diplomatic commission, told this station that the FMLN will insist on discussing issues pertaining to the Armed Forces during the dialogue with the government in Costa Rica on 17 August. Samayoa, a member of the rebel delegation meeting with the government, was interviewed by telephone on the "Opinion" program. He said that the FMLN will once again state the need to purge the Armed Forces and to end its impunity, which are the core issues in the peace talks.

[Begin Samayoa recording] We are going to insist on discussing the Armed Forces. As everyone in El Salvador knows, this is the fundamental issue that must be resolved to achieve democracy, social justice, and peace in El Salvador. We will insist on discussing this subject and will focus primarily on the impunity issue because it is a joke on the people and on the entire nation for these people to perpetrate horrible crimes and never be punished. We have all seen the Jesuit case. The government has been stalling and progress will never be made. [end recording]

The insurgent commander said that the guerrillas' insistence on purging the Army is not whimsical; it is the result of the consensus that exists among the majority of the people who are demanding an agreement on this point so that real progress can be made in the negotiations process. He added that the position adopted by the country's social and political forces is shared by the U.S. Government, which is the Cristiani administration's top economic and military supporter. He cited as an example the attitude adopted by one U.S. senator who said that the leading obstacle to peace is the Armed Forces.

Samayoa also expressed doubts about the possibility of reaching a cease-fire agreement by mid-September, as the government and Army are proclaiming. He said that with the current pace of the negotiations, it will be impossible to fulfill the political agreements that must be reached before a cease-fire can be agreed upon, in accordance with the Caracas Agenda.

[Begin Samayoa recording] It is very difficult—particularly in view of the government's stubborn attitude—to discuss all political topics on the agenda before September. Naturally, we have been trying very hard to move as fast as possible. However, it is very difficult because the government is actually running a publicity operation and claims everything is progressing well and that the agreements will be achieved. However, in reality the government does nothing. I feel it will be very difficult to reach all the agreements by that date and proceed to a cease-fire. [end recording]

The guerrilla leader was then asked about the rebels violating the human rights agreement as they continue to engage in sabotage actions against the national economy. Samayoa said that this cannot be considered within this framework, because these are actions of war with the specific goal of diverting the resources the government allots for military organizations.

Salvador Samayoa, member of the FMLN political-diplomatic commission, then commented on the elimination of military organizations. He said the FMLN does not uphold a radical stand to this effect. Instead, he said, it has presented several proposals so that in a first phase of the peace process, the government will accept putting an end to the impunity of some Army officers.

However, he said the final goal of the peace negotiations is that the Armed Forces disappear and a civilian and professional police force be formed that will respect human rights and will guarantee public order. This, in turn, will lead to the dismantling of the rebel forces, and their fighters will rejoin civilian society.

Church Wants Discussion of 'Impunity'

PA1608185090 Panama City ACAN in Spanish 1806 GMT 12 Aug 90

[Text] San Salvador, 12 Aug (ACAN - EFE)—The Salvadoran Catholic Church today asked that at the forthcoming negotiations for peace to begin on 17 August Friday in Costa Rica, the government and the Farabundo Marti National Liberation Front [FMLN] discuss the impunity with which the Salvadoran Armed Forces and the guerrillas operate.

San Salvador Archbishop Arturo Rivera y Damas has stated that the impunity issue must be discussed as a "step prior" to political agreements that will serve as basis for a firm and lasting peace in El Salvador.

The prelate recalled that impunity means that an action has gone unpunished, and that in the case of El Salvador "we are talking about impunity for the violation of human rights."

He said: "Here we talk about the impunity with which the Armed Forces have acted but an objective look shows that human rights violations committed by the other side in the war must not be disregarded."

He said in today's homily at the Sacred Heart Basilica that "the accusing finger of families that have endured abuses sometimes point to the Armed Forces and sometimes to the guerrillas."

The Salvadoran archbishop said that "the time for mercy" must come but "not before justice," which cannot be evaded by either side.

The FMLN has insisted that it is necessary to clear up crimes and to punish the people involved in four of the most notorious assassination cases in the past 10 years of war in El Salvador, a war that has already produced more than 70,000 dead.

The government of President Alfredo Cristiani has insisted that example-setting trials must also be conducted in the cases of assassinations committed by alleged FMLN militants, something that has been rejected by the guerrillas and that has led to stagnation in the negotiations on the Armed Forces issue.

Rivera y Damas said that peace "steps are small and this makes many people impatient." However, he said, "we should be happy that progress is being made even if it is not going as fast as we would like." He praised the creation in the Supreme Court of Justice of a department of information on arrested people. He also praised the Armed Forces' implementation of rules on arrested people.

These measures are in the framework of agreements on human rights signed in Costa Rica by the FMLN and the Salvadoran Government on 26 July. Human rights is one of the issues on which political opposition and religious sectors as well as labor leaders have insisted.

Rivera y Damas said that the people's "suffering" has not ended, as reports from the legal advisory department of the office of the archbishop show. These reports "make evident a worrisome situation: Arrests have decreased but cases involving missing people are increasing." He referred to the bodies found with signs that the crimes were committed by extreme right "death squads." He mentioned the "violent death" of a municipal official and of three "unidentified people."

The prelate asked: "How can one fail to support the people in their demand for clear signs that peace is making progress when things like this happen?"

Guatemala

URNG, Businessmen Agree to Talks in Canada

PA1608190190 Panama City ACAN in Spanish 1602 GMT 16 Aug 90

[Text] Guatemala City, 16 Aug (ACAN - EFE)—The National Reconciliation Comission (CNR) has announced that the Guatemalan National Revolutionary Unity (URNG) has accepted a proposal from Guatemalan businessmen to hold a dialogue in Canada 23 - 25 August.

CNR Executive Secretary Julio Mendizabal said CNR members will travel on 22 August to Canada, where the delegations of the guerrillas and the Coordinating Committee of Farming, Commecial, Industrial, and Financial Associations (CACIF) will meet.

Mendizabal stressed that the dialogue will be held through the cooperation of the Guatemalan Government and with the logistical support of the Canadian authorities.

He said "the CNR is pleased with the continuation of these efforts, now at the level of the business sector and the URNG."

In accordance with the timetable established by the CNR and the URNG in Norway in March, an initial meeting between the guerrillas and political parties was held in Spain at the end of May.

After they meet with the businessmen, the URNG will have to hold a dialogue with trade unions and then with the Catholic Church, the government, and the Army.

Mendizabal said that anything that is done for effective and lasting peace in Guatemala "is welcome."

President Vinicio Cerezo's government, the church, and other sectors have expressed optimism about the talks to be held.

Honduras

Minister Speaks on Effects of Oil Price Increase

PA1608182190 Tegucigalpa Televisora Hondurena in Spanish 0100 GMT 16 Aug 90

[Text] An increase in fuel prices is imminent after Mexico announced a new price for the crude oil it sells to Honduras. The economy minister has announced emergency measures to save fuel, but these measures will in no way guarantee that prices will remain stable.

[Begin Economy Minister Ramon Medina recording] We have received notification from Mexico indicating that the Mexican crude is currently selling at around $23.50 a barrel. We have not yet bought it at that price, but Mexico has already notified us that based on the international market situation in the next few weeks, the crude oil sold to us might be at that price. In the case of Venezuela, we have also been notified that depending on the international market price, the crude oil price might increase to $21, which is the OPEC price. Even before the Iraq-Kuwait conflict began, the OPEC members had agreed to increase the price to $21. We are seeing that the crude supplied to Honduras is reaching that level. We must also remember that nearly 50 percent of our consumption is based on an already refined product and the price in the international market, which is somewhat nervous about the Persian Gulf situation, is nearly $33. [end recording]

The government will soon begin a campaign to make the Hondurans aware of the real cost of fuels. At the same time, the sale and distribution of fuel will be rationed. Gasoline stations will be closed over the weekend and

the circulation of taxis in Tegucigalpa will be regulated. The economy minister said all these measures are aimed at rationing fuel because of the importance of maintaining the availability of Mexican and Venezuelan oil. These measures will be in addition to the increase in prices because Honduras cannot ignore the reality of the international market. Nevertheless, measures will be sought at the regional level to lessen the social impact of the increase in fuel prices.

Soviet Ambassador to Nicaragua Arrives

PA1708034990 Mexico City NOTIMEX in Spanish 0154 GMT 17 Aug 90

[Text] Tegucigalpa, 16 Aug (NOTIMEX)—Soviet Ambassador to Nicaragua Valeriy Nikolayenko arrived in Honduras today to hold talks with the Honduran foreign and economy ministers, the Honduran Foreign Ministry has reported.

Even though there are no diplomatic relations between Honduras and the USSR, the diplomat is visiting this country for the first time as part of the Soviet political opening to foreign countries.

Honduran Foreign Ministry Spokesman Eugenio Castro said that the Soviet ambassador will meet with Foreign Minister Mario Carias Zapata and Economy Minister Ramon Medina Luna.

Nicaragua

Former RN Members Form Political Party

PA1608153190 Managua Domestic Service in Spanish 1310 GMT 16 Aug 90

[Text] The step taken by former members of the Nicaraguan Resistance [RN] guerrilla movement, who have announced their decision to become a political party, should be considered a very important one.

The RN, a heterogenous military organization that fought against the FSLN [Sandinist National Liberation Front] over the past eight years, has announced that its new name is Nicaraguan Resistance for Civic Organization [Resistancia Nicaraguense de Organizacion Civica—RNOC], and that the RN general staff will be immediately disbanded.

According to a communique released to the national and foreign press, former Commanders Jose Benito Bravo, alias Commander Mack, and Commander Negro have been separated from the organization on charges of indiscipline. They were punished by the new political party's disciplinary commission.

Following Violeta Chamorro's electoral victory over the FSLN, Nicaragua is showing the world that its government can undergo structural changes, and that peace is possible when violence is set aside and a nation's sacred interests are placed before a group's interests.

During the month of June, the RN rebels, most of whom were peasants, surrendered their weapons at a grand ceremony which was attended by His Eminence Cardinal Miguel Obando y Bravo. Thus, they not only demonstrated their broad support for the new Nicaraguan Government, but their willingness to forget the war and accept the olive branch of peace.

The RNOC has elected a new board of directors, whose top leader is Oscar Sovalbarro; he is joined by Secretary General Israel Galeano and Treasurer Miguel Angel Sosa.

This new party is formed by brave men, most of whom are peasants such as Maximino Rodriguez, its secretary for international relations, and Enrique Zelaya. These men, who once were guerrillas and true champions of freedom, are now establishing their own laws and internal regulations in order to offer the Nicaraguan people a renewed effort to build a true republic.

Court Rules Against Civil Service Law Annulment

PA1608155390 Managua Radio Sandino in Spanish 1200 GMT 15 Aug 90

[Text] The Nicaraguan Supreme Court of Justice has declared the presidential decree annulling the civil service law unconstitutional.

In June, Nicaraguan President Violeta Chamorro annulled the civil service law, which regulates the job situation in public offices. The law was annulled through Decree No. 890.

In June, the 30,000 Nicaraguan public employees declared a strike. Among other things, they demanded the abolition of the presidential decree. The workers filed an appeal, arguing the unconstitutionality of the annullment of the civil service law. According to labor leaders, the National Workers Front and the National Workers Union considered that President Chamorro's decree violated the Constitution and they demanded a Supreme Court of Justice ruling on the case.

Almost two months after the filing of the said appeal, the Supreme Court of Justice has ruled in favor of the appeal filed by the workers and against the government measure.

The ruling declared Decree 890 unconstitutional. This decree annulled the civil service law and granted the Labor Ministry the power to revise the state institutions labor union contracts.

There are five Supreme Court of Justice judges who favor the previous Nicaraguan government and four who back Violeta Chamorro's administration. The latter did not vote on this ruling.

Panama

'Heavily Armed' Men Hijack Plane in Colon

PA1608220990 Panama City ACAN in Spanish 2001 GMT 16 Aug 90

[Text] Panama City, 16 Aug (ACAN-EFE)—A Civil Aeronautics Directorate source told ACAN-EFE that unidentified heavily armed men hijacked a privately-owned light plane with its pilot, Donaldo Williamson, in Colon at 1100 (1600 GMT) today.

Shortly before the hijacking, the plane had completed a 15-minute flight between Panama and Colon, delivering three passengers at the Enrique Jimenez Airport in the country's second largest city.

Before the pilot could leave the airport, a car drove to the plane and five people forced Williamson to get into the aircraft, the source reported.

Quoting eyewitnesses, the government source said the men who got out of the car were "heavily armed."

The source also said that the pilot radioed the control tower operators at the Enrique Jimenez Airport to report a flight plan to Panama, approximately 80 kilometers away, with five people aboard, but without saying its was a hijacking.

The aircraft, with fuel for only two and a half hours of flight, took off without the control tower's authorization, the Civil Aeronautics Directorate sources also said.

It was also reported that the radar at the Tocumen International Airport's control tower picked up a blip, which apparently corresponded to the hijacked plane, but lost it after it headed in a southwesterly direction toward the Colombian border.

The aircraft, a Beechcraft Super King with registration number HP-960, is owned by the Stowage Corporation, the legal representative of which is Luis Duque, a close relative of Carlos Duque, who in turn is a close friend of former General Manuel Antonio Noriega.

This is the second hijacking in less than two months. In the first instance, alleged Colombian guerrillas hijacked a plane owned by the local airline Aeroperlas with its crew and passengers during a regular flight also from Colon.

Unofficial sources speculate that the hijackers are the same ones who this morning robbed a store in Colon and who, according to eyewitnesses, "spoke with a foreign accent."

No Official Statement on Relations With USSR

PA1608192290 Panama City LA ESTRELLA DE PANAMA in Spanish 14 Aug 90 p 4

[From the "Names and Events" column]

[Text] President Endara's government has still not issued an official communique regarding the news about the establishing of consular and commercial relations between Panama and the USSR in the near future. The news was disemminated by international news agencies, but the president has only told reporters that "there is something to it" and that official statements will be made later.

Colon Governor Suspends Mayor for Twenty Days

PA1708002190 Panama City LA ESTRELLA DE PANAMA in Spanish 14 Aug 90 pp 1, A-2

[Text] Political sources have reported that Colon Governor Jose Huc suspended Mayor Alcibiades Gonzalez today from his position for 20 days. This action has caused a major intergovernmental conflict in the province, the sources added.

Huc is an Arnulfist Party member. Transporters and human rights groups have charged that Huc is an aggressive person who has even pulled out a gun to threaten protest leaders at several antigovernment protest demonstrations.

Gonzalez is a Christian Democratic Party member. He rejected Huc's suspension and has declared himself in a state of "rebellion."

Argentina

Foreign Minister Begins Official Visit to Chile

PY1608150690 Buenos Aires TELAM in Spanish 1416 GMT 16 Aug 90

[Text] Buenos Aires, 16 Aug (TELAM)—Today Foreign Minister Domingo Cavallo begins an official visit to Chile; he will sign economic integration agreements with that country and meet with President Patricio Aylwin

The foreign minister, who departed at 1100 from the Metropolitan Airport on the presidential plane, will remain in Santiago for just over 48 hours, and will meet with his colleague, Enrique Silva Cimma. The documents to be ratified by the presidents of both nations in Santiago between 26 and 29 August will emerge from this meeting.

The foreign minister is travelling with Jorge Pereyra de Olazabal, industry and commerce under secretary; Juan Schiaritti, national director for Latin American economic affairs; and other officials from the Trade Secretariat and Foreign Ministry.

To Sign Economic Protocol

PY1608184690 Buenos Aires Domestic Service in Spanish 1600 GMT 16 Aug 90

[Text] Foreign Minister Domingo Cavallo has begun an official visit to Chile, where he will sign a protocol on economic integration agreements with that country.

After arriving in Santiago, Cavallo met with Chilean President Patricio Aylwin. He is having lunch with the president in the Vina del Mar residence at this moment.

During his two-day visit to Chile, the foreign minister will hold a meeting with his Chilean counterpart, Enrique Silva Cimma. During this meeting, they will discuss agreements to be ratified by the presidents of the two nations between 26 and 29 August in Santiago.

In remarks to the press before his departure this morning, Cavallo said that the Argentine Government would like Chile to join the initiative for a future common market with Brazil and Uruguay, a possibility he did not rule out.

Cavallo added that the possibility of Chile joining such a common market will be reviewed during his meeting with Silva Cimma.

Defense Minister Romero Returns From U.S. Visit

PY1608184090 Buenos Aires TELAM in Spanish 1755 GMT 16 Aug 90

[Text] Buenos Aires, 16 Aug (TELAM)—Defense Minister Humberto Romero returned from the United States today. He stated that his visit was positive and that he had contacted U.S. Government officials and members of the Armed Forces" [quotation marks as received] with whom he evaluated the process of "modernizing the country's military sector."

He also stated that as of now, "relations are going to be much better. A new stage is opening in view of the great respect that exists for President Carlos Menem."

New Oil Wells 'Ready' in Formosa Province

PY1608225590 Buenos Aires TELAM in Spanish 1417 GMT 13 Aug 90

[Summary] Salta, 13 Aug (TELAM)— The northern administration of Government Oil Deposits (YPF) has reported that the new oil wells in the Palmar Largo Region, Formosa Province, are ready to begin operation. The two wells, Salva Maria II and La Entrada, are more than 3,500 meters deep and have good reserves.

The YPF has resumed the drilling of the Caimancito well in Jujuy Province which, according to the experts, will begin producing in 45 days.

Brazil

Guidance Systems Reportedly Reexported to Iraq

PY1608162090 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Aug 90 p 7

[Report by Assis Moreira]

[Text] Geneva—Brazil armed Iraq with guidance systems for missiles that have a 60-km range. Brazil imported these guidance systems from Switzerland and promised not to reexport them. This information was supplied by the Swiss press yesterday.

According to reports, the Brazilian company Avibras [Avibras Aerospace Industry, Inc.] equipped its Astros 2 missile launchers with Fieldguard electronic guidance systems, which are manufactured by Contraves Company, an affiliate of the Swiss Oerlikon-Buehrle Arms Group.

Erwin Bucklar, a spokesman for the Oerlikon Group, told the ESTADO bureau that he could not say if Brazil actually exported missiles equipped with the Swiss guidance system. "That material was delivered to Brazil along with a Brazilian certificate of end use [preceding two words in English] (not for reexport)," he explained.

Bucklar also said he doubts the truth of rumors that AVIBRAS is now producing the guidance system. "It is a sophisticated piece of equipment; that is very difficult," he said. The spokesman also denied that the Swiss group had granted a license to Avibras.

The Fieldguards sold to Avibras were produced at a plant belonging to Contraves, the Italian affiliate, and also at a plant in Zurich. The sale of a small quantity took place a long time ago. "This information always

becomes current whenever there is something happening in the Middle East," Bucklar said.

Switzerland officially bans the export of war materiel to crisis areas. Nevertheless, Iraq has imported arms from Switzerland, whose government, according to current laws, cannot prevent a number of exports.

The press reports prompted a discussion among the Swiss about ways to prevent the export of pharmaceutical technologies that permit manufacturing poisonous gases. In a country whose official position is neutrality in the face of conflicts, such a discussion is uncomfortable at the least.

Iraq To Move 60 Brazilians Out of Kuwait

PY1608165090 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 16 Aug 90

[Text] The Iraqi Government will move 61 Brazilian citizens, who are still in the occupied territory of Kuwait, from that country. Itamaraty was surprised to confirm the total amount of Brazilians in Kuwait. There are 61 Brazilian citizens in all, 30 of whom are children. The Brazilian citizens themselves went to the Brazilian Embassy in Kuwait to obtain help in leaving the occupied country. More surprising was the Iraqi Government's decision to escort the 61 Brazilians out of Kuwait. The idea is to move these Brazilians out of the conflict area. They are to leave the city of Kuwait, where they are currently located; be taken to the city of Basra, in southern Iraq; and from there, the Brazilian Government will negotiate their immediate withdrawal across the border between Iraq and Jordan.

[Begin recording] [Itamaraty spokesman Joao Vicente Pimentel] Unless other problems arise, they will all be taken to either Baghdad [as received] or the Mendes Junior company camp on the expressway [preceding word in English].

[Reporter] Therefore the Iraqi Government's only intention is to withdraw the Brazilians from an occupied area. After that, there are no guarantees for them.

[Pimentel] Since Kuwait is occupied by military troops the situation is very worrisome. Therefore, the first step is to move them from there. [end recording]

The Brazilian Embassy in Kuwait is temporarily deactivated. The charge d'affaires and two administrative employees will also leave Kuwaiti territory with the other Brazilians. Only a local employee will remain in the Brazilian Embassy in Kuwait.

Rezek on Citizens in Kuwait, Relations With Iraq

PY1708002590 Brasilia Domestic Service in Portuguese 2200 GMT 16 Aug 90

[Interview with Foreign Minister Francisco Rezek by Luis Mendonca; place and date not given—live or recorded]

[Text] [Mendonca] How does the Brazilian Government view the conflict in the Persian Gulf?

[Rezek] We are apprehensive for several reasons. The most immediate one is the situation of Brazilians in Iraqi territory who have not yet received visas to leave the country. We have requested the visas, we have insisted on getting them, and we have used various types of dialogue and methods of persuasion. So far, we have been receiving affirmative answers, and we have been told that the problem will soon be resolved, although we expected to see it resolved two or three days ago. The situation, however, remains the same.

[Mendonca] How will the government resolve the situation of Brazilians leaving Iraq for Kuwait and vice versa?

[Rezek] No one is leaving Iraq for Kuwait. Many Brazilians and other foreigners are now leaving Kuwait for Iraq, because Kuwait is considered a high-risk area. In Iraq, they will be more secure and have comforts such as lodging and food. Nevertheless, these foreigners—including the Brazilians—are still very tense. They are not facing material difficulties but they are experiencing the normally tense atmosphere resulting from a situation like this. Consequently, we would like to see the situation change.

[Mendonca] As the visas have not yet been granted, do you believe the Brazilian Government could call this an impasse? Do you believe this impasse could have any influence on our relations in the future?

[Rezek] The situation is difficult but it is not an impasse; the Iraqi Government insists that it is about to grant the visas, as we hope they will soon do. We cannot adopt any other stance. We will continue to insist, through various channels, until we succeed in reminding the Iraqi Government that people's freedom to enter and leave the country must be preserved. Even if there is a conflict in the area, if there is international tension in the area, no one can be kept in the country against their will.

[Mendonca] In your opinion, and in the opinion of the Brazilian Government, does the Iraqi Government expect any reciprocity from Brazil for freeing the Brazilians who are in Iraq?

[Rezek] Nothing has been intimated in this sense. The Iraqi Government is aware that, as a member of the United Nations, we have committed ourselves to the terms of the UN Security Council resolution. The Iraqi Government knows what we can do and what we cannot do. As to the exceptional situation considered in the resolution regarding the supply of foodstuffs in emergency cases, no position has been adopted because such an emergency has not yet occurred in Iraqi territory.

[Mendonca] Based on your experience, do you believe there will be a radicalization of the current conflict in the Persian Gulf?

[Rezek] I hope not. I believe that, one way or another, this conflict will not last long. I believe that it will be over

in an extremely short period of time. I hope we will be able to overcome these problems without further trauma.

[Mendonca] Now that Brazil has complied with all the resolutions of the United Nations, how will our relations with Iraq be in the future?

[Rezek] I believe that Iraq and Brazil are interested in maintaining trade in the civilian area, including the purchase and sale of oil and foodstuffs. I doubt, however, that any other line of trade—including sensitive and military products—can be resumed. I believe that, no matter how this conflict ends, the trade of products in the civilian area, the trade of nonwar products, will continue.

[Mendonca] Can Brazil exchange foodstuffs for visas for the Brazilians living in Iraq?

[Rezek] No, this possibility has not even been discussed. As there has not yet been an emergency, we would be conditioning people's freedom to enter or leave a country to something that has not occurred. We would thus be disobeying the UN Security Council resolution.

[Mendonca] Thank you, Mr. Minister.

Rezek To Investigate America's Trade Initiative

PY1608153790 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Aug 90 p 6

[Excerpts] Brasilia—Brazil wants to take a more aggressive stance in trade relations with the United States. During a working meeting with his Bolivian counterpart, Jaime Paz Zamora, who yesterday began his official visit to Brasilia, President Fernando Collor decided to send Foreign Minister Francisco Rezek to Washington on 14 September.

Accompanied by the foreign relations minister of Argentina, Brazil's main partner in the implementation of a common market, Rezek will probe the North American proposal to create a free trade zone in Latin America. The idea surfaced when—while addressing Collor—Paz Zamora remembered that the Latin American countries should not remain "statically" waiting for Bush to describe his project. [passage omitted]

Paz Zamora yesterday began an official three-day visit to Brazil. In addition to President Collor, Paz Zamora also met with businessman Olacir de Morais whom he strongly embraced at the airport. De Morais told journalists that the idea to extend his activities in the soybean sector to Bolivia "represents an alternative for the farmers to get rid of coca plantations."

In exchange for the technology that Olacir de Morais is offering for soybean and cotton plantations, the Bolivian Government offers inexpensive land and very favorable conditions to market these products. De Morais, who visited Bolivia in July seeking to purchase land, said: "The land is virtually gratis and there is not any type of tax." [passage omitted]

Paz Zamora Views Cooperation, Bush Plan

PY1608135490 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 16 Aug 90

[Report by Luiz Mendonca from Brasilia]

[Text] Brazil will become a consumer of Bolivia's electric energy. The two countries signed a contract for the purchase of the energy that will be produced by the Puerto Suarez thermoelectric plant, which is under construction. This contract was the main result of Bolivian President Jaime Paz Zamora's visit to Brasilia. Paz Zamora will return to La Paz this morning.

In a press briefing, the Bolivian president emphasized the importance of the cooperation agreements signed with the Brazilian Government. He also said that South American countries are marching toward a future marked by great challenges.

Concerning narcotrafficking in his country, President Paz Zamora said that the struggle against narcotrafficking is being conducted peacefully and without violence and that the Bolivian Government has gradually sought alternatives to develop its economy without coca plantations.

President Paz Zamora said that during this year alone the Bolivian police seized 12 tons of cocaine paste and that the international community must recognize the efforts being made by the Bolivian Government.

[Begin Paz Zamora recording] In fact, Bolivia still believes that international actions are a little stingy as compared to the efforts that Bolivia is contributing to the struggle against narcotrafficking. [end recording]

Concerning the U.S. Government proposal to create a common market, President Paz Zamora said that South American countries must overcome rhetoric and participate in practical initiatives whose objective must be to transform President Bush's idea into reality.

President Paz Zamora concluded the press briefing by saying that he invited President Fernando Collor to visit Bolivia next year.

Bomb Threat Reported at Saudi Arabian Embassy

PY1708032590 Rio de Janeiro O GLOBO in Portuguese 16 Aug 90 p 24

[All names as published]

[Text] Brasilia—A bomb threat yesterday scared Saudi Arabian Embassy officials, who had called a news conference to explain the country's position on the Middle East conflict. A man with an Arabic accent called to say that four bombs had been planted in the building in the Lago Sul District in Brasilia.

The conference was canceled under the pretext that Charge d'Affairs Mansour al-Safi had some problems. A note was then distributed explaining Saudi Arabia's position on the hostilities and the presence of foreign troops in that country. But one could see the mobilization within the embassy.

The attache for administrative matters, Saleh al-Omari, and another embassy official confirmed the incident. The telephone call was received at approximately 1130 and the Federal Police were called immediately. Almost all the employees left the building, but no devices were found.

July Trade Surplus Totaled $1.424 Billion

PY1608140190 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 16 Aug 90

[Summary] Brazil's July trade balance surplus totaled $1.424 billion. As compared to that of June, this represents a 21.4-percent increase. During the January-July period, the trade balance surplus totaled $17.881 billion.

Chile

Cardoen Industries Arms Deals With Iraq Examined

PY1608232090 Buenos Aires DYN in Spanish 2216 GMT 16 Aug 90

[Text] Santiago, 16 Aug (AFP)—The Cardoen Industries executive board has reported that the company, which has long supplied weapons and equipment to Iraq, will listen to the Chilean Government's opinion before implementing definitive changes in its relations with the Baghdad regime, which has provided the company with millions in profits.

Cardoen sold between $100 and $120 million-worth of aerial bombs to the Iraqi Armed Forces over the past decade, most of it during the war against Iran.

Besides the military equipment, Cardoen also provided infrastructure and advice on manufacturing those projectiles in Iraq. A factory for the manufacture of bronze, copper, and other metal parts was completed near Baghdad shortly before the recent attack on Kuwait. Cardoen Manager Ismael Vicuna said that the factory, worth approximately $40 million, was designed for civilian purposes, but its modern equipment could be used to manufacture weapons.

According to Cardoen, the installation of this plant was the only pending business with Iraq. The company announced last week that it will comply with the resolution issued by the government of President Patricio Aylwin to join the UN-approved commercial blockade against Iraq.

Vicuna said yesterday that the last shipment of bombs (some 700, according to reliable sources) was delivered to the Iraqi Air Force shortly before the invasion of Kuwait.

Cardoen termed as "fantasy" the rumors that it will sell Iraq a series of "multipurpose" two-seat helicopters similar to those designed by the U.S. Bell Company, which is planning to manufacture a series of them.

Carlos Cardoen, the owner of Cardoen Industries, said that his operations are "open" and subject to government control. Local newspapers and specialized international publications, however, said this week that there are other links between Cardoen and Baghdad.

The Santiago magazine QUE PASA has reported that IMEC [expansion unknown], a firm that Cardoen established in the Spanish city of Santander in 1987, reportedly participated in the secret manufacture of a long-range artillery for the Iraqi Army.

The magazine also said Cardoen purchased the Cosmos Naval Company from Italy with the objective of supplying Iraq with the 110- and 150-ton midget submarines registered by this shipyard. QUE PASA further reported that Cosmos would have also allowed Cardoen to manufacture Tigerfish torpedoes, which were created by the British Marconi Underwater Systems Group.

The magazine said that, according to reports that have not been denied, Cardoen agreed with the Iraqi Government to receive payments in oil, which the Chilean company would then transfer to South Africa through firms its owns in Miami.

In 1989 Cardoen entered a partnership with South Africa's state-owned weapons company, ARMSCOR [Armament Development and Production Corporation], to manufacture G-5 and G-6 cannons, which were designed by engineers from Pretoria, in Chile. These cannons, which can launch shells up to 40 km, are mounted on high-speed vehicles that require only a short time to set up to begin shooting.

The latest issue of London-based JANE'S magazine reported that ARMSCOR is negotiating sales of G-5 and G-3 cannons to the United Arab Emirates; some of the assembly of these cannons will be done at the Cardoen facilities (in the port of Iquique, northern Chile).

QUE PASA said this week that the ARMSCOR-Cardoen operation with the United Arab Emirates could mark the definitive end of relations between Cardoen and Iraq, formerly its top customer.

Lautaro Group Attacks Carabineros Station

PY1608140990 Santiago Domestic Service in Spanish 1100 GMT 16 Aug 90

[Text] A LAW [Light Anti-armor Weapon] rocket launched by the self-styled Lautaro Rebel Forces hit the Penalolen Carabineros station at 2060 (Consitorial) Street. The rocket caused property damage but no casualties among the Carabineros personnel. According to police reports, the rocket hit the back wall and destroyed several window panes.

An anonymous phone call made by a man to the UNITED PRESS INTERNATIONAL [UPI] office stated that the LAW rocket was launched as part of this subversive movement's campaign to remove the enemy from the popular territory. According to the same individual, the rocket was launched in homage to terrorist Aldo Norambuena, who died on Friday, 10 August, during the attack perpetrated by this same group in La Florida where two Carabineros officers were killed.

According to UPI, the unidentified individual said that Carabineros had taken goods belonging to Norambuena during a raid on his home.

Bomb Attack Delays Railway Traffic to South

PY1608140690 Santiago Domestic Service in Spanish 1100 GMT 16 Aug 90

[Text] Railway service to southern Chile, which was suspended due to a terrorist attack, has been normalized.

Trains from Concepcion and Puerto Montt to Santiago were delayed because of damage caused by a bomb attack on the railway line.

The Railway Enterprise public relations office disclosed that traffic to and from Santiago was delayed by over three hours. No information on damage or details of how much this attack cost the enterprise were disclosed. However, it was disclosed that no casualties were registered.

Minister Krauss Denounces Threat Letter Campaign

PY1608151790 Santiago Domestic Service in Spanish 1100 GMT 16 Aug 90

[Text] Interior Minister Enrique Krauss has denounced the existence of a written threat campaign against government authorities. Minister Krauss asserted that he and other ministers have received threat letters but added that they cannot be regarded as dangerous.

[Begin Krauss recording] We do not think the threats themselves are dangerous because the truth is that terrorist attacks are perpetrated without previous announcement. Anyway, they represent, in a manner of speaking, a factor of social unrest which we would like to prevent although this is difficult to do. These threat letters do not state who the authors are and, if you care to take a look, the emblems they carry do not correspond to those used by groups responsible for other types of actions. Therefore, it is not definite that they correspond to any group in particular. I think that whoever may be responsible for those threats simply is not aware of the changes that have taken place in Chile, after a great effort which has been shared by many Chileans, in the government or the opposition, civilian or military. Chileans are making a praiseworthy reciprocal effort, with a lot of generosity, to return to democracy and strengthen it. To believe that an institution, such as the Carabineros, is a factor of unrest shows that they simply do not know the role played by this institution and the effort they are making to help achieve the government's goals. [end recording]

Interior Minister Krauss made this statement at La Moneda Palace but did not disclose further details about the threats against government officials.

Argentina's Cavallo on Relations, Integration

PY1608215690 Santiago Radio Chilena Network in Spanish 1700 GMT 16 Aug 90

[Text] Argentine Foreign Minister Domingo Cavallo, who arrived at noon today on a 48-hour official visit, has said that Argentina seeks integration with Chile to the mutual benefit of their peoples.

Cavallo, who was welcomed at the airport by his Chilean counterpart Enrique Silva Cimma, said that his visit is aimed at preparing the protocol for the agreements to be signed by the presidents of the two countries when Argentine President Carlos Menem visits Chile from 26 to 28 August.

Cavallo said that the physical integration between the two countries, such as the opening of border passes, will not affect the Chilean economy. He added that the Argentine Government will cooperate in the necessary control measures to prevent diseases that have been eradicated in Chile from spreading from Argentina.

[Begin Cavallo recording] We are looking at the Chilean experience as a model because Chile has really made a great effort in this regard. We have agreed on the need to establish a control system to guarantee that there will be no risk of contamination from any disease which has not yet been eradicated in Argentina. We want to integrate ourselves with Chile but we do not want to create any problems for the Chilean economy. On the contrary, we want to find ways to work together to improve the standard of living. [end recording]

Cavallo, the first Argentine foreign minister to visit Chile in 10 years, emphasized the positive level of bilateral relations which resulted from the understanding reached after Chile returned to the democratic system. Regarding the establishment of a Southern Cone common market by 1995, Cavallo noted that this goal must take into consideration Chile's marcroeconomic situation, which is certainly different from the other countries of the region.

PCCh Group Asks Committee To Lift Sanctions

PY1608203490 Santiago Television Nacional de Chile Network in Spanish 1800 GMT 16 Aug 90

[Text] A group of communists led by Fanny Pollarolo has publicly asked the PCCh [Communist Party of Chile] Central Committee to revoke the sanctions imposed on PCCh militants. Several dozen PCCh militants who are supporting this petition to the Central Committee were present at the corresponding news conference.

Fanny Pollarolo said that a complete debate is the only way to overcome the current crisis, seeking an understanding among the different positions within the PCCh. Pollarolo emphasized that the party is going through a dangerous time that could prompt a destructive spiral for the PCCh.

Pollarolo indicated that their attitude does not represent an effort to attack the power of the PCCh but noted that [PCCh Secretary General] Volodia Teitelboim is wrong on this issue.

The letter addressed to the Central Committee is signed by 1,000 PCCh militants.

Chilesat Opens Digital Communications Network

PY1608220890 Santiago Radio Chilena Network in Spanish 1700 GMT 16 Aug 90

[Summary] Chilesat, a new Chilean company, has opened an extensive, long-distance, national and international satellite digital communications network. The system uses Intelsat for its communications and covers 95 percent of the national territory with 14 earth stations. The base station is located in Lo Canas. Chilesat lists several companies among its clients and also a branch of the Chilean Armed Forces.

Colombia

Minister on Joining Boycott Against Iraq

PA1708035790 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 17 Aug 90

[Text] Colombian Foreign Minister Luis Fernando Jaramillo today unexpectedly announced that Colombia will join the economic boycott against Iraq. It is obvious that the measure is more symbolic than practical because our trade with Iraq would fit on the head of a pin, he said.

In his capacity as an active member of the UN Security Council, Enrique Penaloza, Colombian Ambassador to the United Nations, has not only voted against Iraq, but virtually drafted the three resolutions with which the United Nations censured the Saddam Husayn regime: Resolution 660 condemned the Iraqi invasion of Kuwait; Resolution 661 imposed international economic sanctions against Iraq; and Resolution 662 rejected the annexation of Kuwait by Iraq.

Tomorrow, during the meeting of the Foreign Trade Council, Colombia will officially announce that it will join the international boycott against Iraq.

[Begin recording] [Jaramillo] An absolute embargo on Iraqi imports and exports will be decreed.

[Unidentified reporter] [Words indistinct] trade with Iraq?

[Jaramillo] It is not significant; we have very limited trade with Iraq. However, what is important about this action is that Colombia is fully complying with the UN Security Council decision. [end recording]

Foreign Minister on Marion Barry Trial Outcome

PA1708003090 Bogota Inravision Television Cadena 1 in Spanish 1742 GMT 16 Aug 90

[Text] Colombian Foreign Minister Luis Fernando Jaramillo today criticized the implementation of justice in the United States. The minister, in statements to Jesus Garzon of the Cinevision Newscast, referred to the ruling handed down to Washington, D.C. Mayor Marion Barry, who was accused of using cocaine, which contrasts with the treatment given to alleged Colombian criminals in the United States.

[Begin recording] [Garzon] Colombia today voiced its discontent over the decision by the U.S. court with regard to Washington Mayor Marion Barry, who was accused by the police of being a drug user. Based on a video recording, Marion Barry was taken by surprise while consuming drugs and arrested by the FBI. After being put on trial, Marion Barry was cleared on several charges [as heard] and set free on bail. Today this resulted in an official protest by Colombia.

[Jaramillo] The case of Washington Mayor Barry has resulted in great disappointment, given that the U.S. justice system is so expeditious, so drastic, and so severe when it condemns Colombians for minor crimes. I do not see that U.S. citizens are tried in the same way and the same strict manner. Therefore, this poses a very serious question as to how U.S. justice is being applied in the cases of Colombian citizens and how it is applied to similar cases with U.S. citizens. [end recording]

Little justice, much applause, and here in Colombia we are paying a dear price.

[Mexico City NOTIMEX in Spanish at 2001 GMT on 16 August carries a Bogota datelined item which adds that Colombian Foreign Minister Jaramillo "today presented a formal protest to the United States on the release of Washington Mayor Marion Barry." NOTIMEX also quotes Jaramillo as saying: "We find it hard to understand this ruling. It makes it very clear to Colombians that neither the decision to fight narcotics trafficking nor the cost of this struggle is fairly distributed."]

Police Order Airports To Stop Hijacked Plane

PA1708030290 Madrid EFE in Spanish 0136 GMT 17 Aug 90

[Text] Bogota, 16 Aug (EFE)—Colombian Civil Aeronautics and Airport Police authorities today ordered all national airports to stop a Panamanian airplane that was hijacked at the Colon Airport and allegedly taken to Colombia.

Panamanian authorities today officially reported that a group of 10 people armed with machineguns and grenade launchers hijacked the aircraft in Colon, on Panama's Caribbean coast. The airplane belongs to former presidential candidate Carlos Duque, a close ally of deposed head of state General Manuel Antonio Noriega.

John Bennett, Panama's Civil Aeronautics general director, told journalists that the Beechcraft Super King aircraft with Panamanian registration number HP-960 had probably left for Colombia.

The aircraft disappeared from the radar of the Tocumen Airport in Panama City after four of the hijackers forced pilot Donaldo Williams to report a false flight plan and take off from Colon without permission for an unknown destination.

Meanwhile, the Panamanian Embassy in Bogota has requested that the Colombian Government stop the aircraft if it is found in that country.

Another Panamanian airplane was hijacked in July by alleged Colombian rebels, who said they needed it to transport rebels and arms to Nicaragua. They later abandoned the plane in the eastern plains region.

Ecuador

Energy Minister Opposes 'Urgent' OPEC Meeting

PA1708034790 Madrid EFE in Spanish 0226 GMT 17 Aug 90

[Text] Quito, 16 Aug (EFE)—Ecuadoran Energy and Mines Minister Diego Tamariz said today that his country is opposed to calling an urgent meeting of the Petroleum Exporting Countries (OPEC) for fear of becoming politically involved in the Gulf crisis, which he said, does not implicate OPEC.

A very serious political problem exists between the two member countries of the OPEC (Iraq and Kuwait) and we should consider the advisability of calling a meeting which, definitely, will force the organization to discuss topics that do not involve it, Tamariz said.

According to international reports, Saudi Arabia and Venezuela, which are also OPEC partners, are in favor of calling a meeting of the consortium to analyze the conflict that has arisen in the wake of Iraq's invasion of Kuwait.

Tamariz advised that prudence be exercised and came out against a possible summit of chiefs of state of the 13 OPEC countries—which includes Ecuador—because in view of the complex political situation of the conflict, a meeting of this kind which does not lead to a practical solution might cause serious problems for the organization.

The Ecuadoran minister reiterated that his country will not increase its oil production. He said that, although the prices of crude have experienced a significant increase, at a given moment they will experience a sudden drop.

Tamariz said he believes that other important factors that affect the oil market should be analyzed, such as the terms of action of the industrialized countries, what path will be adopted by the International Energy Agency, whether it considers a crisis situation exists to merit resorting to emergency reserves, and the evolution of the oil market.

* Borja on Election Results, Opposition

90SM0200A Quito VISTAZO in Spanish 5 Jul 90 pp 5-8, 10

[Interview with President Rodrigo Borja Cevallos by Patricia Estupinan de Burbano at Presidential Palace; date not given]

[Text] He says his government is not working toward the next elections but for future generations, election defeat is not so crushing, and he hopes history will judge him as a man who "did everything humanly possible to emerge from the economic crisis, moralize the country, put public finances in order, work for those most in need, respect human rights and public freedoms, and put Ecuador back on the international map."

He enters the meeting room of the Presidential Palace carrying a newspaper. While VISTAZO photographer Claudia Daut sets up her equipment, President Rodrigo Borja stares at a page of the paper, tension visible on his face. After a few minutes, he is notified that Captain Fausto Torres, general director of Customs, is on the phone: "Captain, I have in my hands a newspaper from Manabi announcing a Customs auction. It seems to me the prices for certain articles are extremely low, for example, a shirt for 1,650 sucres. Halt the auction and see if those prices are correct!" He hangs up the phone, heads for a comfortable sofa, and begins the interview.

A smile appears on his face and he remarks, "I can't believe all the lights you brought! I didn't know photography required so much equipment." He comments that in the two years he has been president, he has not grown any older. It is true, moreover, that at 55, he still has no grey hair. "I have matured. Power has provided more than a few surprises about people. Physically, I feel exactly the same. It is because I exercise every day. Going to the gym improves my mood, I am not tense, and it gives me the emotional peace and balance I need to lead the country through so much turmoil."

Rodrigo Borja Cevallos has indeed endured the brunt of the political turmoil in the time he has been in office. A crushing election defeat left his party in third place in the country and with only 13 of the 30 lawmakers he had on 10 August 1988. He calmly answers: "Election defeat is not as crushing as they would have you believe. In order to judge accurately, one has to compare similar elections. In presidential elections, if the candidate is good, there is a shirttail effect for other candidates on his list. In list elections like the ones we just had, the institutional factor is all-important and they are defined by the political parties. If one analyzes the number of votes in

list elections over the past 10 years, one observes that the Democratic Left (ID) has obtained more or less what it won now in 1990." Does this mean that the Social Christian Party (PSC) is more solid as an institution than the Democratic Left? "Parties continually alternate in election results. Government parties tend to drop, while opposition parties rise. I think if it had been a presidential election, the results would have been different. The most dramatic example of this is Velasquism. In elections with Velasco on the ticket, his party rode his shirttails, but in list elections it dropped considerably." However, if what is most important is the boss, then what happens to the political program of the Democratic Left and Rodrigo Borja, which preaches the importance of parties over men? "No country in the world has ever been free of 'bossism.' There are always situations in tune with the person that every party picks as its candidate. If such situations occur in politically developed countries such as the United States and Europe, it is therefore not surprising that countries developing politically such as ours retain their 'bossism.' What is important is for a struggle to occur in order to reduce its effects. The less important the political figure of the boss and the more important the party's impersonal ideas, the more developed a country is. However, we cannot expect Ecuador to give up its partisan tendencies overnight."

Crushing or not, election defeat confronts the government with a new political situation: the absence of a majority in Parliament. Consequently, the president's Cabinet will be vulnerable. Deputies elected already have a list of the ministers whose heads could start to roll after 10 August: Education, Agriculture, Government, Energy and Mining, and Public Works. Nevertheless, the president categorically claims: "I will not provoke any Cabinet crisis. Administrative stability is my obsession. My ambition is for my ministers to last the entire presidential term. A statesman who has a team of highly qualified ministers has no reason to switch, nor should he do so in order to 'air out' the Cabinet. In Europe, some ministers last five years." But they are surely efficient! Are all of his? "Efficient and honest. Otherwise, they would not occupy the posts." But one of the fundamental reasons explaining the election defeat is the lack of public works underway. This would mean Minister Neira is inefficient. Not even in Neira's native Azuay Province have major projects been completed. The president gets excited and answers: "I wish you would travel around the country and see the condition of the roads. They are in very good condition!" But what VISTAZO has seen on its trips is that Ministry of Public Works signs are now orange. "That is true. They say, 'The people are building!' so everyone can see what is being done with their money. If it were my money, I would put: 'Another project by Rodrigo Borja.' As for the statement that there are no projects, we are now building the highway that was the great dream of Cuenca [Basin] residents: The Cuenca-Naranjal. We have contracted for the city of Cuenca sewer system." And why did they lose in Azuay, a province loyal for years to the Democratic Left? "Don't change the subject; we were talking about projects, projects such as the literacy campaign that cost a lot of money. We are officially opening nearly two drinking water plants a day. We have set up hundreds of community childcare centers for children under the age of six. We are handing out a million school breakfasts. We have waged the broadest vaccination campaign in the history of Ecuador. There are projects you don't see, such as the one for reinforced concrete, but they do exist."

Halfway through the interview, the president was notified that the well-known former soccer player Polo Carrera was on the phone and wanted to invite him to a volleyball game. "Tell him I'll see him tonight at 11 at the stadium. Sports help me get a good night's sleep, four or five hours a day, and conserve my energy."

He returns to the subject of election results and insists that they not be interpreted as censure of his government administration. "However, I am aware—and this thought tortured me even during the campaign—that many people were hoping for miracles, expecting Ecuador to change overnight. Since I knew this was impossible, I emerged from these major election contests sad, rather than happy." However, there were reasonable expectations, for example, the sanction of specific business dealings condemned by the Democratic Left itself. In the case of Perimetral, Borja himself has said there is overpricing, but investigations have gone nowhere. "The truth is that those people left no trace or evidence whatsoever." In other cases, including under this government, moralization efforts seem to be inconclusive. In the matter of La Esperanza Dam, Borja was wise enough to stop what appeared to be a fraudulent deal, but no one was punished or even removed from office. "I called for an independent international audit to make a proper study of the budget, which to my way of thinking had no justification. After that audit, we assessed responsibility and will get rid of the guilty parties. That did not used to be so. I respect other people's honesty."

Could it be true that the various investigations were never completed because Dr. Borja's priorities did not include oversight organizations, so that the Superintendent of Corporations, the Comptroller, the attorney general, and the superintendent of banks resigned from office although they were appointed for four years? "The institutions continue to perform their oversight duties. Each one of these cases is justified. To cite but one example, the superintendent of banks, Gonzalo Cordova, accepted his appointment on the condition that he resign in a year." But is it not nonsense that Borja, whose ambition is stability, should propose for a supervisory organization a person who would only remain in the post for a year? "In our country, we still have not invented slavery." Granted, but if the objective were stability, he could have named someone else. "Gonzalo Cordova was so highly qualified, it was worth it to have him for a year. He stayed on a year and a half and during that length of time organized the financial system."

President Borja wants history to judge him as a man who did "everything humanly possible to emerge from an economic crisis, moralize the country, put public finances in order, work for those most in need, respect human rights and public freedoms, and put Ecuador back on the international map." He claims steps have been taken during these past 24 months to achieve such objectives. And yet, the deterioration in living conditions of Ecuadorans seems to conspire against the first of these aspirations. The model for economic adjustment, gradualism, has not yielded the results anticipated, inflation has resumed its upward trend, the country's economic growth rate is lower than that of the population, and public finances are in order thanks to the sacrifice of taxpayers, not the government's austerity. Borja disagrees: "Gradualism has yielded results. Hasn't inflation dropped from the 99 percent where it was when I took office to 37 percent? Controlling inflation is very difficult. Only in Ecuador do people expect results in a matter of months. As for sacrifice, the sacrifice has come from everyone, including the government. We are the government that has created the least bureaucracy in the past 25 years. Efforts have even been made to check the abuses of a certain public trade unionism. Some sectors that are now very vociferous in their criticisms of the government said nothing when the past government signed one-sided contracts for the interests of the public sector. Finally, in order to emerge from the crisis, there are only two alternatives: shock or gradualism. We can't invent anything. Those who disagree with gradualism should put it this way: Let them say they want the shock treatment, that they want a major devaluation."

Despite the presidential announcement that his is the government that has created the least bureaucracy, there is a perception that President Borja's administration tends toward nationalization, going against the current of what is happening in the world: the privatization of public services. Bills such as the one on the stock exchange speak of new government organizations and the idea persists of setting up a Foreign Trade Institute. On this point, Dr. Borja says, "We are not going to create more bureaucracy. We shall absorb the surpluses with what the government receives. I am a man faithful to my principles. I said I would not nationalize anything or privatize anything either. The important thing is to increase efficiency." But even in the most state-controlled economies, the Soviet Union and Mexico, privatization is occurring. "In the Soviet Union, privatization is necessary in order to survive. The case of Mexico is different from Ecuador. Mexico has a very broad market with great possibilities and has the United States as a neighbor, which is a privilege." But in order to put Ecuador back on the international map, have relations with our main market, the United States, not been neglected? Is the fact that our country has gone without an ambassador for months not a sign of this? "I am not overly sensitive. My relations with the United States are good within a framework of mutual respect and noninterference in internal affairs. I even played tennis with Mr. Bush on the friendliest terms and Ecuador's prestige in international political and financial circles is excellent." If that is so, why has the debt not yet been renegotiated? "That is a very complex matter on which we are working in order to obtain the renegotiating conditions that will benefit the country the most."

Dr. Borja insists he will not change ministers or his style of government over the loss of the elections. Is this not a political strategy to destroy the prestige of Congress? It is censured by the Cabinet and the president is left as a victim while, at the same time, shrewd ministers such as Vallejo and Vera reap future political benefits. "I do not agree. It is not a strategy. If it were, I would not have proclaimed the need for stability at the beginning of my government." According to opposition deputies, an agreement is reportedly being worked out to grant amnesty to former President Leon Febres Cordero, former Mayor Abdala Bucaram, and members of Alfaro Vive. Would the Democratic Left support this measure? "You will have to ask the party. Speaking for myself, I do not agree." What does he think will happen to the Democratic Left after his government? Why does the party have no successor, or, as in Mexico, is there someone "in the wings"? Vallejo? "The Democratic Left was not founded for the purpose of making Rodrigo Borja president, but rather, for the purpose of having a long-range effect on Ecuadoran politics. There is no apparent successor. There are several. The system of the 'dark horse' works only in Mexico. Here everyone has to work out his own destiny." As a supporter of the "law of the pendulum," as he is, does Borja think there will be a president from a rightist party in 1992? "That is difficult to say. Some potential presidential candidates go to Congress without realizing it is a mill that can grind them up and destroy them."

After this conversation, one can conclude that President Borja does not agree the election defeat was crushing, that there is any discontent with his government, and that some aspects of his administration are experiencing problems. On the whole, he has no plan for change. "My indifference to the election results has something to do with an idea of American President Abraham Lincoln: 'There are governments that work for the next elections and governments that work for the coming generations.' Mine falls into the latter group. My efforts are devoted to the country's future. When I get ready to make a decision, I do not ask whether or not it will be applauded, whether or not it will reap election dividends. I ask whether or not it is in the national interest."

Dr. Rodrigo Borja has always been considered a calm man. Nevertheless, in power he has shown signs of immoderation. The last was a statement against former President Osvaldo Hurtado when he requested the removal of the national secretary of SENAC [expansion unknown], Pedro Saad. The president said: "I was born and will die the way I am. I respond to whoever attacks me. I am not Saint Francis of Assisi." Certain questions asked during the interview also received harsh replies.

[VISTAZO] Analysts believe there are two similarities in the style of government of Febres Cordero and your own: sectarianism and arrogance. Febres Cordero's sectarianism was inclined toward the coast, while yours leans toward the mountains. Former President Carlos Julio Arosemena even recently said that your government is more sectarian than that of Ceaucescu.

[Borja] What evidence do you have of my sectarianism? Because I worried about drinking water for Guayaquil and allocated 32 billion sucres for the purpose? Because I tried to give Perimetral a function? For building the bridge? Building the Avenida 25 de Julio with 12 lanes? Supporting FODUR [expansion unknown] in its efforts to pave streets in poor areas? The Mapasingue steps? Solving the future problem of transportation in Guayaquil with the ferries, double buses, and the elevated train? Parodi is working on financing in Europe for this project.

[VISTAZO] So he did not go for the World Cup?

[Borja] That is ridiculous.

[VISTAZO] It is not. A newsman has to play the devil's advocate.

[Borja] You are no advocate. You are the devil himself, journalistically speaking, naturally.

[VISTAZO] A World Bank report says the elevated train is unnecessary. It is not good for the country's economy. It means more debt.

[Borja] I wish those gentlemen would go to Guayaquil and see how long the people have to wait for transportation. There are people who have never walked through those districts, including many Guayaquil residents, who have never gone through those districts, not even for the sake of curiosity.

[VISTAZO] They waited over two years to begin the work and the Perimetral bridge is reportedly overpriced. Two national companies bid two billion and the contract went for 7.5 billion.

[Borja] We have had limited resources for financing projects. Some could not be completed by national companies because they do not have adequate technology. Furthermore, if we had contracted national companies, the wait would have been much longer.

[VISTAZO] It is thought that your stubbornness borders on arrogance.

[Borja] I have been accused of everything. A few years ago, they said I led the party like an autocrat. When I came to power, they said I did not give orders, but let others order me around. Now, halfway through my term, they accuse me of being an autocrat and arrogant. I am used to these contradictory accusations; they cancel each other out.

[VISTZAO] Minister Vallejo says the problem of the Democratic Left is that the work it has done has not been promoted. Is this not due to the fact that only speeches are broadcast on national channels?

[Borja] You must not forget that governing means administering things and leading people. The ruler is the leader of society and his messages must reach the people.

[VISTAZO] But they are known through excerpts published in the media. Is this not more of a personality cult instead?

[Borja] I am not so sure of the former. Sometimes such excerpts are not made, and it is debatable whether excerpts can replace the message. A personality cult is another matter. It means putting up signs saying "Another Project by Leon," even in the cemeteries.

Paraguay

Agriculture, Education Ministers Sworn In

PY1508162090

[Editorial Report] Asuncion Red Nacional de Television in Spanish at 1400 GMT on 15 August begins live coverage from the Government House Blue Hall of the swearing-in ceremony for the new ministers of education and agriculture. President Andres Rodriguez gives the oath of office to Angel Roberto Seifart as education minister and Raul Torres as agriculture minister. After the brief ceremony, the new ministers are congratulated by President Rodriguez and other high officials. The live coverage ends at 1409 GMT.

Officials Absent From Religious Ceremony

PY1608135290 Asuncion HOY in Spanish 16 Aug 90 p 15

[Text] On 15 August national officials did not participate in the religious ceremony held on the esplanade of the Metropolitan Cathedral in honor of the Virgin Our Lady of Asuncion, despite the fact that a high-ranking member of the church hierarchy stated that "they were expected up to the last moment in vain." It was stressed that chairs were installed for the president and his entourage.

After the procession to the Virgin's Chapel on Palma Street was over, the archbishop was asked about the absentees. He said: "That is their problem."

CORREO COMERCIAL Newspaper Launched

PY1608231590 Asuncion HOY in Spanish 16 Aug 90 p 24

[Summary] A new evening newspaper called CORREO COMERCIAL was launched during a ceremony held at the Internacional Hotel.

According to Rodolfo Piccini Bustamante, the CORREO COMERCIAL press department director, this evening

newspaper is oriented to decision-making socioeconomic sectors. For many years the CORREO COMERCIAL was a newspaper that strictly addressed legal issues. Carlos Raul Britez, the administrative manager, reported that a group of businessmen have bought the newspaper which will now focus on general news. He added that the newspaper company is also planning to buy a radio station.

Peru

Government Decrees Freedom of Prices

PY1608191890 Buenos Aires TELAM in Spanish 1549 GMT 16 Aug 90

[Text] Lima, 16 Aug (TELAM-DPA)—The Peruvian Government has decreed the freedom of prices so that market forces will set prices, rates, and rents for goods and services. For the second day running there has been a reduction in inflation, which was five percent yesterday.

This measure indicates that there is stability and a decrease in some prices, especially the prices of agricultural products, in light of the action taken by the so-called Accord Committees.

Increases in Utility, Postal Rates Announced

PY1608212490 Lima Television Peruana in Spanish 1800 GMT 16 Aug 90

[Text] Charges for light, telephone, and post office services have increased. The corresponding resolutions were published today in EL PERUANO, the official gazette.

An electricity meter registering consumption of up to 30 kilowatts will pay 640,000 intis monthly. Any electricity use above 30 kilowatts will be added to this amount. The minimum consumption [tarifa social] has been established at 320,000 intis.

Telephones rates will be as follows: residential, 387,000 intis; professional, 1,161,000 intis; and commercial, 1,548,000 intis. These payments are to be made on a monthly basis.

Regarding post office services, charges will fluctuate between 110 and 1,120,000 intis. These payments will be made in accordance with the weight of the mailing.

Fujimori States Need To Negotiate With Creditors

PY1608155290 Buenos Aires TELAM in Spanish 1303 GMT 16 Aug 90

[Text] Havana, 16 Aug (TELAM-EFE)—Peruvian President Alberto Fujimori has stressed that he works with facts, "that his country is not in a condition to cover its debts," and that each country has to resolve its problems by itself.

This is according to an interview published in the official organ, GRANMA. Asked about Peru's foreign debt, Fujimori stated that his country needs to negotiate with its creditors, and that within the framework of negotiations, "we are going to defend the country's opportunities for development."

He explained that his visit to the United Nations had the objective of seeking the international financial community's support, and in his opinion, this objective will be achieved in accordance with the rights his country has as a member of IMF.

Fujimori stressed: "This in no way means that there will be submission or bowing to the dictates of IMF. We are the ones who will define our economic policy in a sovereign, independent manner."

The brand-new Peruvian president stated that he does not believe political aspects will be an impediment to integration, and in his opinion, there are enterprises that must be in the hands of the state because of the public services they provide, while there are others that are not sufficiently profitable due to their size.

"As for the latter," he added, "we are willing to hand them over to the private sector." Fujimori also stated that Peru "is burdened with an economic crisis and it cannot depend on foreign aid to overcome it because its development [no closing quotation mark as received] "must be based mainly on its own material and human resources."

He did say that although he does not believe in the creation of blocs, he favors an economically powerful Latin American bloc that could offset the other blocs which are being created around the world.

UN Secretary Discusses Persian Gulf Situation

PY1708001190 Madrid EFE in Spanish 2155 GMT 16 Aug 90

[Text] Lima, 16 Aug (EFE)—UN Secretary General Javier Perez de Cuellar today in Lima questioned an eventual U.S. military action in the Iraq-Kuwait conflict because it has not been approved by the UN Security Council.

Perez de Cuellar said: "We are working within the context of Article 41 of the UN Charter, which is related to economic sanctions, and to begin a blockade the Security Council would have to approve the implementation of Article 42."

The possibility of an armed intervention "by any country" to prevent trade with Iraq would be possible if the UN Security Council approves it, said Perez de Cuellar in a news conference upon concluding his three-day official visit to Peru.

Perez de Cuellar said that the Iraqi unilateral decision to withdraw its troops from Iranian territory starting

tomorrow reduces the threat of war in the Persian Gulf, but the threat "will not disappear."

He added: "Troop withdrawal is a positive element but this does not mean that it will immediately resolve the situation in Kuwait because the Iraqi-Iranian conflict is a different problem, even though it is in the same area."

He said that he "hopes" that the Iraqi decision represents greater flexibility with regard to solving the tension prevailing in the Persian Gulf.

Regarding the Iraqi initiative, Perez de Cuellar said: "It may lead to a quick solution of the Iraqi-Iranian conflict" through the implementation of UN Resolutions 598 on the withdrawal of troops from foreign territory.

Perez de Cuellar referred to the use of chemical weapons in the Persian Gulf, saying that "fortunately" there is important dialogue between East and West—between the Soviet Union and the United States—"for the elimination of all chemical weapons."

He said: "Chemical weapons were one of the most interesting subjects in the disarmament conference. All countries of the world are beginning to realize the threat posed by chemical weapons, which can have the same devastating effect as nuclear weapons."

Perez de Cuellar will stay in Peru until 19 August. He will then visit Chile and Bolivia.

Lima March 'Violently Repressed', Many Arrested

PY1708024490 Lima Television Peruana in Spanish 0100 GMT 17 Aug 90

[Text] Despite the fact that a state of emergency is in effect in Lima and public demonstrations have been suspended, union leaders and some congressmen tried to carry out a march in downtown Lima. The police and military forces broke up the rally in compliance with current regulations.

[Begin recording] [Reporter] The march was called for by the CGTP [General Confederation of Peruvian Workers] and the CTP [Confederation of Peruvian Workers]. The workers gathered at the Dos de Mayo Park, which was guarded by police and military troops. The purpose of the unauthorized march was to have people demonstrate in front of the National Congress and Government House. The security forces reacted strongly, using tear gas to break up the demonstration. Leading the march were Valentin Pacho, Paulo Checa, congressmen, former congressmen of the United Left, and others.

According to current regulations, Lima is under a state of emergency and public demonstrations are prohibited. [end recording]

[Buenos Aires TELAM in Spanish at 0105 GMT on 17 August carries a similar AFP item reporting that "Valentin Pacho said that at least 200 union members and leaders of poor neighborhoods were arrested after being violently repressed with tear gas, water cannons, and batons. He added that 30 people, including men and women, suffered blows to the head during the police repression."]

More on Protests, Suppression

PY1608190690 Buenos Aires TELAM in Spanish 1655 GMT 16 Aug 90

[Text] Lima, 16 Aug (TELAM-ANSA)—Army troops and National Police, acting jointly and forming an impressive security cordon, today suppressed thousands of workers and shantytown dwellers who had gathered at several points in the city of Lima with the purpose of marching toward the downtown area.

A rally was organized for today by two labor organizations and popular organizations to protest the government's economic policy, and it is believed that there will be more confrontations in the next few hours that could have very serious aftermaths.

At this time, no official information has been released on the confrontations that have occurred during the day.

Editorial Questions Objectives of Quayle Visit

PY1608165390 Lima LA REPUBLICA in Spanish 8 Aug 90 p 14

[Editorial: "Vice President Quayle in Lima"]

[Text] U.S. Vice President Dan Quayle is in Lima for an official 24-hour visit. This is the first visit of a U.S. Vice President to Peru since 1959 when then U.S. Vice President Richard Nixon made a bumpy visit that was formidably rejected at San Marcos University.

It is unlikely that Mr. Quayle will run the risks of his predecessor and no one with common sense would wish such a situation. But we must ponder on the objective of a visit that had already been postponed for a more auspicious time in view of the Panama invasion. This was a visit that was scheduled to take place in two stages. However, the first stage of this visit, scheduled for Bogota during the Colombian president's inauguration, was not carried out due to President Fujimori's absence.

An inexperienced politician who is seriously questioned in the United States, Vice President Quayle seems to have taken these missions abroad as a slow learning process in the area of statesmanship at the recommendation of President Bush. He has already visited Mexico, Central America, Brazil and Colombia and his current tour will take him to La Paz and Port au Prince.

It is no mere coincidence that Quayle is visiting Peru at the start of the Fujimori administration. The U.S. administration believes Fujimori will be a more flexible interlocutor than former President Garcia and it wants to undertake a closer cooperation with the current Peruvian regime.

However, President Fujimori should closely assess the offers made by the visiting dignitary because they may be quite dubious. These offers, which encompass three areas, cannot be ignored, particularly because the offered cooperation may later become an intervention.

In fact, it is known that the U.S. Government plans to give $110 million in aid to Peru by 1991. From this total, $60 million will reportedly be earmarked for the struggle against drug trafficking, within the framework of the so-called Cartagena Pact signed in February by the United States, Colombia, Bolivia, and Peru. But to a large extent this agreement is yet to be implemented.

A main point of the agreement yet to be fulfilled calls for the establishment of a tripartite [as published] front of the Andean countries and the United States. This front would allow for the implementation of the shared responsibility image that was forged in Cartagena. But this image was never fully accepted by Washington officials who have preferred to work at the bilateral level, and this is what they have done with Colombia and Bolivia.

The truth is that cooperation between the United States and Peru has been an issue of discussion for quite some time. However, the two countries have signed an agreement allowing the two governments to share the goods that are seized from drug traffickers, and another one that lifts bank secrecy on everything regarding investigations of ill-gotten moneys deposited in U.S. banks. But nothing else has been done.

The issue in question about this U.S. cooperation proposal lies in the fact that Washington upholds a repressive stance regarding coca farming and coca production. Peru has been upholding a preventive stance. This position calls for the gradual replacement of coca farms with the farming of agroindustrial products; and to make compensation payments to peasants who abandon coca farming so that they may not be harmed or tempted to return to coca farming. Coffee, and cacao are experiencing today the worst prices in the international market.

This approach is obviously not liked by the U.S. Government, whose latest initiatives have been of a repressive nature: The use of Spike [preceding word given in English] in the Huallaga valley, the construction of five radar-equipped bases with the presence of Yankee troops, etc.

President Alan Garcia's administration firmly rejected these repressive initiatives. Not only did Peru reject them, but 26 U.S. congressmen in Washington also rejected them, warning the Bush administration of the consequences of a direct intervention with U.S. troops in the Alto Huallaga region, where the presence of narcoterrorism may greatly complicate the situation for both the United States (haunted by the Viet Nam war) and Peru (the Shining Path and its "people's war").

Vice President Quayle's visit is somehow meant to overcome the impasse with Peru, that is why he does not hide the fact that the $110 million aid is conditional. This aid depends on the Peruvian Government's greater commitment to the struggle against drug trafficking, greater respect for human rights, and a change in the Peruvian economic policy.

Without doubt, out of these three aspects, Washington is most interested in the first one. Mr. Quayle wants to sign an agreement similar to the one the United States signed with Colombia and Bolivia to prevent the laundering of drug trafficking money and another one for the control of chemical components used to make PBC [cocaine paste]. He will also want to insist on President Bush' latest initiatives, such as the lifting of duties for products from Andean countries.

However, and this is the heart of the matter, the U.S. vice president will also insist on greater cooperation from the Peruvian Government. President Fujimori's administration is expected to reject, as firmly as the past administration has done, direct intervention by U.S. troops in our country. Fujimori is expected to confirm his rejection of the use of Spike or any other chemical or biological agent to destroy coca crops, out of respect for the region's ecology.

The Bush administration must understand that our country is willing to make everything possible to eradicate drug trafficking, but coca crop substitution and prevention is the only valid approach (naturally complemented by strict controls and police action).

Hopefully, Mr. Quayle will understand the Peruvian Government's reasons, since it needs the aid the United States has offered (but not at any price). Otherwise we are afraid that the conversation that will take place in Government House today will be pointless.

Labor Minister Discusses Economic Plan

PY1608194990 Lima LA REPUBLICA in Spanish 5 Aug 90, Sunday Supplement, pp 10-12

[Interview with Labor Minister Carlos Torres y Torres Lara by Mariella Balbi in Lima; date not given]

[Text] [Balbi] Minister, you and President Fujimori are against salary indexation, why?

[Torres] We are not against indexation. We are for balancing salary with inflation. We do not want to use the word indexation because workers who are in a privileged situation as compared to the others, will also benefit by this measure, and that is not right. I am referring to some sectors of public enterprises, for example. It would be unjust to give them the same adjustment as to other state workers. For this reason we do not like to talk about indexation.

[Balbi] How would you protect the real salary, then?

[Torres] By balancing it with inflation, with the dollar...

[Balbi] Isn't that the same as indexation, Sir?

[Torres] Of course it is, but not for all, but only for those who are in a worse situation...

[Balbi] Who establishes that?

[Torres] Well, if you compare the salary of a San Marcos University professor, with 10 years of service, with that earned by a janitor of a public enterprise, the result is obvious. The government will set the limits for the public sector. For the private sector we are studying the possibility of progressively implementing a policy of open negotiation. The state must gradually give up any intervention in the negotiations. The policy in this sector is that the parties involved should discuss the working conditions...

[Balbi] Then you will have many strikes, Minister. Suppose a private company refuses to adjust salaries in accordance with inflation...

[Torres] The workers must be aware that striking is a constitutional right, but not something to be abused...

[Balbi] Is it an abuse to defend salaries?

[Torres] Of course, [as published] but abuse of the right to strike is against salaries...

[Balbi] Will the case I have mentioned take place? Will salary adjustments be below the inflation rate...?

[Torres] By no means. Inflation or devaluation are the two instruments we are using to protect real salaries. We will choose one of those alternatives.

[Balbi] The CGTP [General Confederation of Peruvian Workers] states that it will defend indexation. Are we facing an impasse?

[Torres] No, because you are saying that adjusting salaries in accordance with the inflation or dollar rate is a form of indexation. We are not using that term because we do not want the people to believe that this inflation situation will continue. We are going to make an adjustment in accordance with inflation or devaluation, but only this time, and we hope that it will be the last. In this manner the economy will become stable...

[Balbi] But during this stabilization period, will you be guided by the inflation or the dollar rate?

[Torres] Of course.

[Balbi] It has been learned that a bonus for a 15-day period will be given to cover the cost of the adjustment. Is that true?

[Torres] It is an interesting alternative. It is one of the possibilities.

[Balbi] Engineer Camet, Chairman of Confiep [National Confederation of Private Business], has proposed adjusting salaries in accordance with the dollar. Do you think businessmen will accept this?

[Torres] I think so. This proposal is among the possibilities I would support. I have found businessmen to have a much more modern vision of business administration.

[Balbi] What will you do with enterprises that request a reduction of personnel? Will you meet those demands?

[Torres] They must be met. The laws allow that possibility. But the economy will begin to function well again and if this reduction takes place in accordance with the law, it will be absorbed by new sectors. We are preparing legal norms aimed at generating new employment opportunities. There are many barriers.

[Balbi] Has labor stability been absolutely guaranteed?

[Torres] Yes. It is a constitutional right that cannot be debated, as provided by the Constitution.

[Balbi] Will the reasons for dismissals be expanded, as proposed by Fredemo [Democratic Front]?

[Torres] That is a point that refers to the labor stability law and can be debated. I think the law can be revised so as to prevent abuses from being committed by either of the two parties.

[Balbi] Does it mean that reasons for dismissals could be expanded?

[Torres] Or they can be reduced. It depends on Congress.

[Balbi] Do you think it is desirable?

[Torres] I think it is always possible to improve the laws...

[Balbi] You are very diplomatic, Sir.

[Torres] Well, that is the truth. Is there any perfect law? I am not familiar with Fredemo's proposal because it was not published, but if you can get me a copy I can give you my opinion, why not?

[Balbi] You have said that you will eliminate the PROEM [expansion unknown]. When will you do it?

[Torres] When it is time, that is, in six months.

[Balbi] Will you replace it with another system?

[Torres] I do not know whether I should use the word replace. We have to find other ways of channeling labor. It is not only a matter of changing the name of the system. We are analyzing the possibility of revamping the means by which small companies and service companies, who use the most workers, contract workers. We will thus attract the workers who are in the PROEM. In addition to that, the number of workers in the PROEM is continuously decreasing. We have six months to provide them all with better training.

[Balbi] Your new employment policy will achieve labor stability after three months, or will you change that?

[Torres] The law establishes that labor stability must be achieved after three months. We will comply with the law.

[Balbi] Do you not intend to submit a bill changing that?

[Torres] A bill prepared by my sector? Definitely not. If the worker has a permanent job, he will have stability. If he has a seasonal job, we cannot grant him stability.

[Balbi] There are companies, however, that contract employees for three months, and thus cheat the job stability law...

[Torres] This cannot be allowed. In my sector, at least, we reject this system. This is a way of cheating the law and we cannot agree to it.

[Balbi] Many businessmen assert that job stability harms their companies. Do you agree with that?

[Torres] In a way, it is so. When there is absolute stability, the businessman cannot create an effective discipline in the company. However, we must also look at the problem from the other point of view. When there is no stability in a country such as ours, where there are no jobs, the situation of the workers is very serious. I understand, accept, and repeat what I have heard at the CGTP: "To defend job stability is to defend the right to life." I have mentioned that at Confiep and most of the progressive businessmen understand this concept. As a matter of fact, no one has to support the idea of absolute stability if the economy creates jobs.

[Balbi] During the electoral campaign, we have repeatedly heard the statement that job stability creates problems for the businessman. Isn't that an exaggeration?

[Torres] Yes, I believe it is.

[Balbi] Engineer Camet has said: "Father government should interfere the least amount possible in employee-employer accords," do you agree with him?

[Torres] He has a progressive vision of the problem and I agree with him. It must be explained, however, that the government must gradually cease to interfere and should only do so in the areas where the labor sector is sufficiently solid, mature, and strong. I believe that the government must only protect the most needy ones—who total 70 percent of the workers—but not the members of strong unions...

[Balbi] Whom are you thinking about?

[Torres] Bank clerks, for example. They can defend their own interests.

[Balbi] When will the employee-employer accord start?

[Torres] It has already started...

[Balbi] My goodness, but no one has been informed of it...

[Torres] We have already made some progress. The employee-employer accord must not be seen as a signed document that solves problems.

[Balbi] How does the employee-employer accord start? By sitting the workers, businessmen, and government officials at a table?

[Torres] The government must approach the leading and most active members of the economy...

[Balbi] How long does this stage last?

[Torres] I am sorry, but it has already started. I have personally visited Confiep and the CGTP...

[Balbi] But that is a rather timid contact, have you ever gone to ...

[Torres] But they were very important. Besides, we inaugurated a new style because we also visited the Apemipe [expansion unknown] and the cooperative sector. The employee-employer accord is a permanent process of agreement because there will always be employee-employer conflicts. The idea that the conflicts will some day be resolved must be ruled out.

[Balbi] Alright, but will they sit at a table, prepare an agenda, and hold weekly or monthly meetings?

[Torres] First of all we must create a National Council of Employee-Employer Accord where not only will businessmen and workers be represented but small businessmen, cooperatives, the main economic agents, and society will be represented as well. This council will draft its own regulations and we will suggest that it form specialized groups so that each sector may reach their own accord. They could meet once a week. The council would meet every time they needed to coordinate something.

[Balbi] When will it become effective?

[Torres] The prime minister must decide this. But we will probably make the first invitations next week.

[Balbi] So far the employee-employer negotiation boards have acted as counseling boards. Will they also be able to deliberate, reach decisions...?

[Torres] I would say yes. They can promote accords but they cannot necessarily establish agreements between the parties. These boards will submit their conclusions to the National Council of Employee-Employer Accords so that accords may be reached and submitted to government where they can be made compulsory through new laws.

In this way we will see that the Constitution in respected. Moreover, we have promised to respect it....

[Balbi] Excuse me, but all politicians promise the same and what you say sounds romantic....

[Torres] How can it sound romantic! I am very objective in this regard.

[Balbi] Will prices, salaries, and investment and production goals be discussed within the National Council of Employee-Employer Accords?

[Torres] Yes. These will be the main topics of discussion.

[Balbi] How will you avoid a repetition of what happened to [Former Labor Minister] Grados Bertorini, whose accord was struck down by a harsh package of economic measures?

[Torres] We have asked for other opinions over these first measures, but no accord, per se, has been reached. Once stabilization has been achieved, the people themselves will make the decisions.

[Balbi] Will the next salary adjustment by submitted for approval to the National Council of Employee-Employer Accords?

[Torres] There is no reason why the state should intervene if stabilization has been achieved....

[Balbi] Will stabilization be achieved by next month....

[Torres] I believe that the measures that will be implemented will make stabilization possible. I hope I am not mistaken. The macro-economic policy will be discussed, as will the exchange, tax, credit, and production policies. During a stabilization period this can....

[Balbi] This is where the trap lies. I will go straight to the point. Will future increases and adjustments be the result of agreements?

[Torres] If there is stability, yes. If there is no stability—which I doubt—the state will have to make this decision. In extreme cases, such as the current one, the state must intervene. This must be made quite clear.

[Balbi] Mexico has published a list of prices that have been agreed by the government, workers, and businessmen. Will this be the case here?

[Torres] Maybe, but I personally do not agree with this policy. I do not believe it appropriate.

[Balbi] How can you assure that businessmen will stabilize their prices and that prices will not soar?

[Torres] Prices will become stable when the currency becomes stable. The measures to be implemented seek to stabilize the currency. What happens when prices are set according to the value of gold, silver, or a hard currency? They stop increasing.

[Balbi] At the beginning of our process to curb hyperinflation the inflation rate increased. If no agreement regarding the economic agents is reached it could increase even more. Won't inflation be curbed overnight...?

[Torres] No. If you announce a currency that will not be subject to variations, the economy will become stable after the initial adjustment process.

[Balbi] How long do you think the initial adjustment process will take?

[Torres] I am talking about a week or two for prices to become stabilized, as long as the currency, be it the dollar, silver, gold, or deutschmark remains stable. Then there will be no more inflation.

[Balbi] This is the theory of economist Oscar Dancourt who proposes a change of currency to solve the problems.

[Torres] I believe that 90 percent of the problem lies here.

[Balbi] How will an agreement regarding salaries be reached?

[Torres] This conflictive issue will tend to disappear as soon as we agree on a monetary reference. There will be little to discuss. If salaries are paid in dollars there will be even less to discuss. We would only discuss salary adjustments. Inflation would be very small....

[Balbi] Do you think that in two months time we will have a 10-percent monthly inflation rate?

[Torres] Yes, providing a stable reference for the currency is adopted. A new currency is unfeasible because for that we would have to implement a new law, which would take several months.

[Balbi] Will the inti disappear?

[Torres] Undoubtedly, but as we are unable to immediately adopt a new currency we will have to spend some six to eight months using another point of reference, such as silver or gold for example....

[Balbi] How will I pay my grocer with silver?

[Torres] The idea of using silver appeals to me because we have some. Naturally, this is a personal opinion....

[Balbi] Will I pay my grocer with silver coins?

[Torres] We cannot mint coins by law but we could issue silver "bars"....

[Balbi] It would be rather exotic, don't you think?

[Torres] Why? You would pay with a gram of silver. Naturally, it would be more practical to temporarily pay with an international currency such as the dollar.

[Balbi] What will be done to increase productivity? This is a goal that everyone desires but has not happened yet.

[Torres] By applying technology to the productive apparatus and by introducing the appropriate technology to the informal sector that will allow the training of skilled workers and the conversion of goods into capital.

[Balbi] The informal sector usually does not respect the labor laws....

[Torres] Precisely, the policy for this sector will be to protect those unprotected workers....

[Balbi] Will they have job stability and union rights?

[Torres] Many workers in the informal sector do not have any compensation for years of service. We have to create a system that will protect them. Their situation is not the same as in the large corporations, these workers cannot sue the enterprise because there are not enough assets. We have to create a chain of legal responsibility between the owner and his enterprise. In other words, so that the worker can sue both the enterprise and its owner.

[Balbi] If we speak in dollars, how much should the minimum salary be?

[Torres] This topic is being studied. We must reach $100 per month very soon....

[Balbi] How long is very soon, six, four, two months?

[Torres] We will see how the economy behaves.

[Balbi] In your opinion, how much should the ideal minimum salary be?

[Torres] As the businessmen themselves have said, it should be $300, but to reach this figure we are going to have to increase the salary in stages from $30 to $50 and so on.

[Balbi] Will the minimum salary be set using the technical criteria as the Constitution dictates?

[Torres] Of course. The minimum salary will always be set by the state....

[Balbi] Together with the workers and businessman?

[Torres] But this is a decision that has to be made by the government because it is the minimum.

[Balbi] Will the workers, businessmen, and government decide the minimum salary within a month?

[Torres] I do not believe that we will reach that goal within the next month. I would say that within a long period of time it will have to be set by the government.

[Balbi] Will a basic family basket be made up during the first meeting of the National Council of Employee-Employer Accords?

[Torres] No. the process for reaching an agreement will be a long one. It means starting with general topics before going into specific topics.

[Balbi] Will the executive branch submit a law on strikes?

[Torres] I believe that legislation regulating strikes, to guarantee their legality, would be very interesting. You will have observed that no strike is legal and that is an impossible situation.

[Balbi] Should the decision to strike be taken in a universal and secret vote?

[Torres] I believe so.

[Balbi] Will you submit a project on this subject?

[Torres] I prefer to support the task that is being done. We have an overall labor legislation draft that I believe is 70 percent perfect. It is a compilation of legislation and it has received a very interesting evaluation by Peruvian labor experts who have improved the draft, and this must be highlighted.

[Balbi] An accord has never been achieved in Peru. So, why have you accepted one now?

[Torres] I am part of the historic process that seeks to achieve one. I do not believe that a permanent accord will come apart if I am not here. I want to contribute to what Dr. Grados Bertorini has started.

[Balbi] You have stressed that the small business sector will be a job source because an accord will eliminate legal obstacles. Do you believe that this will be enough to generate jobs?

[Torres] In no way. Each sector has a different situation. The large corporations need confidence and legal stability. Regarding small enterprises and the informal sector, it is necessary that the people become aware of the new mechanisms that are going to be implemented.

[Balbi] There are rumors circulating and I would like your opinion on them. Is it true that salaries are an onerous burden for business....

[Torres] No! how can they be onerous. That is not true. The remuneration of Peruvians is one of the lowest in the world and the cost of salaries to businesses is very low. The problem is that enterprises have low incomes.

[Balbi] The other great rumor is: "Do the unionized workers have privileges?"

[Torres] If you compare them with one of our campesinos, then of course they are privileged but if you compare a unionized Peruvian with a German, then ours is an exploited person.

[Balbi] Should the CGTP and the CONFIEP participate in the program of social aid?

[Torres] Yes. When we implement the mechanisms they will be specifically called.

[Balbi] Will you ask for a labor truce?

[Torres] I do not need it, and I do not believe that it would be convenient. The social agents know that the situation is serious.

[Balbi] The Labor Ministry is notorious because many decisions have been bought. How do you plan to change this?

[Torres] With morality, through honorable people, and by preventing the officials from participating in the decisions....

[Balbi] Will the Labor Ministry withdraw from some of its current functions?

[Torres] Yes. Progressively and according to the sector. I am forgetting to tell you that not all officials are corrupt and immoral.

[Balbi] Do you have any criticism regarding the CGTP and businessmen?

[Torres] The CGTP shouts a lot, and businessmen speak quietly, their discussions are not open.

[Balbi] In your opinion, what will be the most difficult problem in the task that faces you?

[Torres] In all sincerity, the opinion that the public has about the role of the ministry. A large sector of the public believes that the role of the Labor Ministry is to administer justice. But that is the Justice Ministry's role. We will seek to promote labor and improve its quality and to increase remunerations. Our mission is not to resolve conflicts, that is a constitutional error.

New Government Officials Appointed

PY1608164990 Lima EXPRESO in Spanish 12 Aug 90 p 12

[Summary] General Carlos Gamarra Perez-Egana, retired, has been appointed as Ecasa [Rice Marketing Enterprise] president. Roberto Bonifaz Larreategui has been appointed as ENCI [National Enterprise for Industrial Marketing] president. Chemical engineer Oscar Posadas Perales has been appointed as Centrominperu [Central Peru Mining Enterprise] president. Wenceslao Urbina Moscoso has been appointed as Electroperu [Peruvian State Electric Power Enterprise] president. Jaime Quijandria Salmon has been appointed as Petroperu [State Petroleum Agency] president. Emilio Zuniga Castillo has been appointed as Hierroperu [Peruvian Iron Mines Enterprise] president. Emilio Lay Elias has been appointed as Minpeco [Peruvian State Mineral Marketing Company] president. Alfredo Jalilie Awapara has been appointed as deputy finance minister. Jalilie Awapara will also be in charge of the office of the deputy economy minister.

Uruguay

Tupamaro Convention Elects New Leadership

PY1508220090 Montevideo BUSQUEDA in Spanish 9 Aug 90 p 11

[Summary] The National Liberation Movement-Tupamaros (MLN-T) appointed new members to its Executive Committee and renewed its Central Committee at its party convention on 29 July.

MLN-T sources have informed BUSQUEDA that the MLN-T has undertaken an "offensive," particularly in the "ideological field" and "the mobilization of the masses." The same sources reported that during this convention, which was held behind closed doors at a Montevideo stadium, the MLN-T reasserted its membership within the Broad Front.

The number of MLN-T Executive Committee members was decreased from 13 to 9, including Jose Mujica, Julio Marenales, Luis Rosadilla, Mario Mazzeo, Eduardo Bonomi, Roberto Villanueva, Oscar Suarez, Ricardo Garcia, and Jose Gonzalez. The Central Committee will be made up of the following members: Jose Mujica, Julio Marenales, Eleuterio Fernandez Huidobro, Carlos Caceres, Arturo Dubra, Jorge Zabalza, Nora Castro, Luis Rosadilla, Ernesto Agazzi, Mario de Leon, Eduardo Bonomi, Jorge Quartino, Andres Cultelli, Jose Gonzalez, Oscar Suarez, Ricardo Garcia, Jose Lopez Mercado, Raul Forne, Jose M. Pereyra, Haydee Aiuto, Leopoldo Lafferranderie, Rocco [not further identified], Mario Mazzeo, Nery Mutti, and Roberto Villanueva.

Central Bank To Sell Gold Reserves

PY1508231590 Montevideo EL DIA in Spanish 9 Aug 90 p 1

[Text] Official sources have confirmed to EL DIA that the Central Bank will sign an agreement tomorrow for the sale of $36-million worth of gold reserves.

This "swap" [preceding word given in English] of 94,339 troy ounces of gold, at a sale price of $384.75 per ounce and an annual interest rate of 7.2 percent, will last for six months.

A call for bids was made for the sale of this gold—which amounts to 3.6 percent of the Central Bank's reserves—to seven banks, and the best offer was presented by the Morgan Guaranty Trust of New York. The other six banks were the Bank of Boston, Samuel Montagu of London, the Swiss Bank Corporation of Zurich, and the Bankers Trust, Morgan, and Republic National Banks of New York.

This is the second "swap" operation—a sale with the option of repurchasing at a preestablished price—that the Central Bank has carried out in the past three months. On 30 April it sold two lots worth almost $40 million, with annual interest rates between 8.11 and 8.2 percent.

This new operation amounts to $36,296,942 and the repurchase will be carried out on 11 February 1991 at $398.98 per troy ounce. The difference between these two prices—the sale and repurchase—is precisely 7.2 percent, as agreed.

Central Bank sources reported last night that the interest rate is considerably lower than that paid in a routine borrowing operation on the international financial market.

10.5 Percent Foreign Debt Increase Reported

PY1608224390 Madrid EFE in Spanish 2343 GMT 11 Aug 90

[Summary] Montevideo, 11 Aug (EFE)—The Uruguayan Central Bank has officially reported today that the gross Uruguayan foreign debt increased by 10.5 percent in 1989, while the net debt increased by 2.5 percent.

During the first three months of 1990, the debt did not change much and remained at about $7 billion.

Uruguay, which has 3 million inhabitants, is among the countries with the largest foreign debt per capita.

Venezuela

Iraqi Ambassador Defends Country's Actions

PA1608044790 Caracas Venezolana de Television Canal 8 in Spanish 0000 GMT 16 Aug 90

[Text] While the situation in the Persian Gulf remains uncertain, here in Caracas statements have been clarified. The Iraqi ambassador in Venezuela went to the Foreign Ministry today to talk about everything that is happening in his country and to explain his country's position on oil matters. At no time were harsh words used to exert pressure on Venezuela. Our correspondent Martin Pacheco offered us this exclusive report from the Foreign Ministry.

[Begin recording] [Pacheco] Iraqi Ambassador Mahid al-Samarra'I carefully told the acting foreign minister, Raul Taylhardat, that at no time were his actions intended as an attack on our country. Venezuela and Iraq, the diplomat noted, are fundamental elements in strengthening OPEC.

[Samarra'I, speaking in Arabic, with sentence by sentence translation into Spanish] I am speaking in defense of my country's interests. There are some differences in some positions, but we are not speaking in aggressive terms. We hope and expect all OPEC countries to keep their production consistent.

[Pacheco] The Iraqi diplomat's statements were sufficient and timely, according to the acting foreign minister.

[Taylhardat] The situation is that some press reports were published, and we needed an explanation from the ambassador about some statements made yesterday. He has explained that at no time did his statements imply any sort of threat against Venezuela. I think that the ambassador's statements have been quite clear in that respect.

[Pacheco] Now, Foreign Ministry officials must interpret this version. It should be noted that diplomats in all parts of the world always make it a point to exercise prudence when making public statements. [end recording]

Perez Says Venezuela 'Friend' of Iraq's

PA1608043190 Caracas Venezolana de Television Canal 8 in Spanish 0000 GMT 16 Aug 90

[Text] Commenting on the Iraqi situation, President Carlos Andres Perez said today that Venezuela is a friend of Iraq's and there is no fear of any threat because we will not make ourselves deserving of any threat. The Venezuelan president commented in response to statements made by the Iraqi ambassador who questioned Venezuela's position on oil aspects.

The Iraqi diplomatic representative in Venezuela called the possibility of other OPEC member countries increasing their production as a damaging action to his country. The president said that we must not exaggerate this topic. Perez added that we have no problems with any nation. We are friendly with all those countries which, like us, are struggling for a new fairer international economic order.

[Begin Perez recording] Nothing separates us. What we are concerned about in Venezuela and what we are defending is the existence of international law. The fate of the small and weak countries depends on that. We hope that the conflict in the Middle East will be solved as soon as possible, of course, in keeping with the resolutions approved by the United Nations. These resolutions guide our international conduct. [end recording]

Outside of the Persian Gulf conflict, the president is not disregarding his activities as a mediator for democracy on the continent. Yesterday, Perez received former Haitian President Leslie Manigat at the Miraflores Palace. The president asked Manigat to join the electoral struggle in Haiti in an effort to restore liberty. At the same time, Perez explained that it is not true that Manigat has been banned from entering Haiti.

Perez Travels to Dominican Republic, Guyana

PA1608180290 Caracas Venezolana de Television Canal 8 in Spanish 1600 GMT 16 Aug 90

[Text] Venezuelan President Carlos Andres Perez traveled today to the Dominican Republic to attend reelected President Joaquin Balaguer's inaugural. Then President Perez will visit Guyana for two days, where he will meet with President Desmond Hoyte and will discuss the status of the negotiations that are underway to define the claim on the Essequibo region.

Former Haitian Leader Manigat Meets With Perez

PA1708002390 Mexico City NOTIMEX in Spanish 1735 GMT 16 Aug 90

[Text] Caracas, 16 Aug (NOTIMEX)—Former Haitian President Leslie Manigat announced today that he will return to his country to participate in the November elections.

The politician met on 15 August with Venezuelan President Carlos Andres Perez to request his "good offices" in the Haitian democratization process.

In a news conference, Manigat asked provisional Haitian President Ertha Pascal Trouillot to revoke the order that prohibits his return to the island so that he can participate in the electoral process.

Manigat, who was ousted in 1988 after four months in office, denied that he plans to return to Haiti as president. "I want to return as a common citizen," he said.

Manigat is a member of the Assembly of National Progressive Democrats party.

Guyana

Agenda Set for Venezuelan Perez' Visit 16 Aug

FL1508163790 Bridgetown CANA in English 1534 GMT 15 Aug 90

[Text] Georgetown, Guyana, Aug 19, CANA—Venezuelan President Carlos Andres Perez begins a two-day state visit to Guyana on Thursday at the invitation of President Desmond Hoyte, the government said. It will be Perez's second state visit here, having first visited in 1978 during his first term of office as Venezuela's head of state.

The official Guyana Public Communications Agency (GPCA) said Perez and Hoyte would review bilateral relations and progress being made in the area of functional co-operation. They will also discuss ongoing efforts to resolve a longstanding territorial dispute between Guyana and Venezuela, focussing on the work being done by Alister McIntyre, personal representative of United Nations Secretary-General Javier Perez de Cuellar.

Shortly after his arrival, Perez will lay a floral tribute at Guyana's 1773 monument which commemorates the first major rebellion here by slaves. He will later visit the Venezuelan Cultural Centre and lay a floral tribute at the bust of Venezuelan national hero, Simon Bolivar. According to the GPCA, Perez's programme of activities also includes a breakfast meeting with the private sector, talks with Hoyte, a courtesy call on secretary general of the Caribbean Community (Caricom), Roderick Rainford, and a meeting with representatives of opposition political parties.

Foreign Currency Market Instability Continues

FL1508210590 Bridgetown CANA in English 1920 GMT 15 Aug 90

[Text] Georgetown, Guyana, Aug 15, CANA—Despite an agreement among most licensed currency dealers here to stabilize the market, instability continues to plague Guyana's foreign currency market.

After the value of the U.S. dollar soared to an all-time high of 85 Guyana dollars last week, cambio operators sought to arrest the trend by agreeing last Friday to purchase U.S. dollars at the fixed rate of 55 Guyana dollars to one U.S. By Tuesday, however, the value of the greenback had shot back up to as much as 70 Guyana dollars, dealers said. Gold miners complained of reduced earnings as a result of the unstable exchange rates.

As a result of decision by the cambios to slash their rates, the price for gold at the state-run Guyana Gold Board has dropped by more than 9,000 dollars per ounce since last Friday.

Miners are required, by law, to sell all their gold to the Guyana Gold Board which fixes its prices in accordance with a formula which takes into account the prevailing world market price and the cambio rate of exchange for the U.S. dollar at the National Bank of Industry and Commerce (NBIC).

The NBIC was not involved in the agreement to push down the value of the U.S. dollar and took the decision on Monday to suspend trading as it attempted to assess market conditions.

On Tuesday, the NBIC and the gold board, which also suspended trading on Monday, were back in operation with drastically reduced buying rates. Selling operations remained suspended. The NBIC was offering 57 Guyana dollars for one U.S. dollar on Tuesday.

Some cambio dealers, explaining their reasons for breaking the agreement, said they were forced to carry back up their buying price because of their inability to compete with the black market. The licensed dealers called again for a crackdown against the black market.

"We are trying to ensure that the rate doesn't get out of control so that goods could be available to the people at reasonable cost but the police must do something about (the illegal dealers) if we are to succeed in helping this country," one licensed operator said.

The privately-owned STABROEK NEWS newspaper came out on Tuesday against the move by the cambio operators to depress the exchange rates. "We do not believe the new system is viable. It is a perhaps well-meaning, but untutored attempt to redress a fundamental problem of a supply and demand imbalance by tinkering," the paper said in an editorial.

Suriname

Policemen Return to Work After 10-Day Strike

FL1508224990 Bridgetown CANA in English 2230 GMT 15 Aug 90

[Text] Paramaribo, Suriname, Aug 19, CANA—Suriname policemen returned to work on Wednesday, ending a 10 day strike to protest the murder of a senior police officer by unidentified gunmen.

The decision to end the protest was taken after the government appointed an independent commission to investigate the murder, which the police said was carried out by Army officers. The commission, which includes members from the police and Army, will assist the public prosecutor in carrying out the investigations, officials here said.

A spokesman for the police union said the union had agreed to allow its members to return to work, but pointed out that "most of the departments will only carry out internal services." The spokesman said the union would also discuss with the government "structural measures to improve the working relationship between the Army and the police."

Earlier this week, the Army proposed the appointment of one of its officers as head of the police force.

Rebel Base Near French Guiana Attacked

FL1608133590 Bonaire Trans World Radio in English 1130 GMT 16 Aug 90

[Text] Surinamese forces have reportedly killed one rebel and wounded four others in a helicopter attack on a rebel base near the border with French Guiana. A French Guiana radio said the helicopter fired rockets at rebel positions on the Surinamese side of the border. The wounded were taken to a hospital in French Guiana.